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Horace O. Lanza

Harry Baccigaluppi

CALIFORNIA GRAPE PRODUCTS AND OTHER WINE ENTERPRISES

With Introductions by

Maynard A. Amerine

Interviews Conducted by
Ruth Teiser

1971 by The Regents of The University of California

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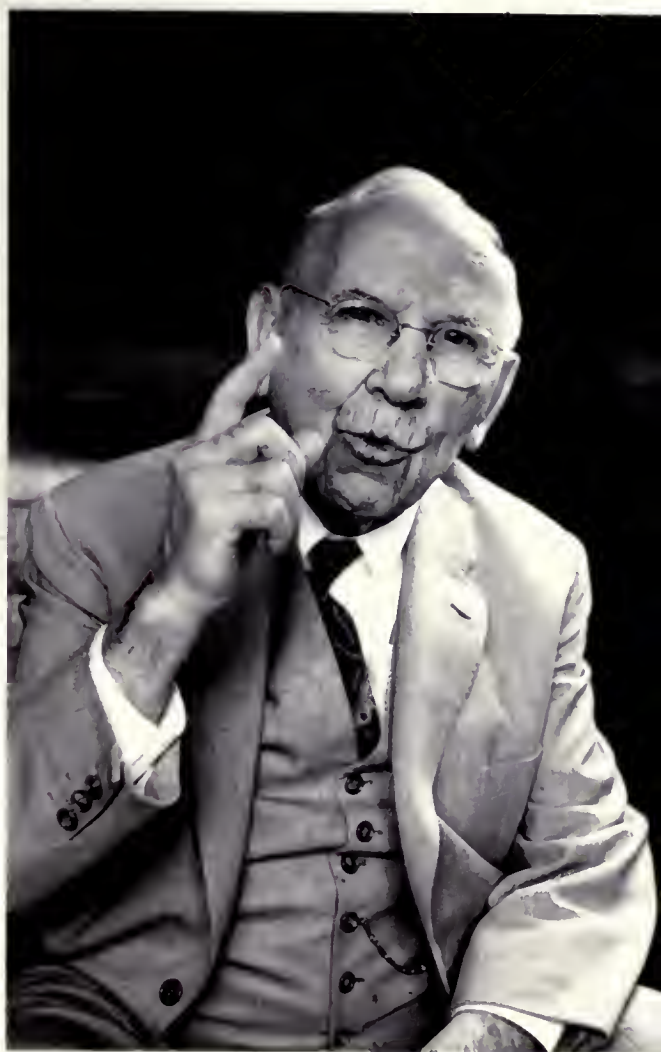
Horace O. Lanza

CALIFORNIA GRAPE PRODUCTS AND OTHER WINE ENTERPRISES: PART I

With an Introduction by

Maynard A. Amerine

An Interview Conducted by
Ruth Teiser



Horace O. Lanza photographed while being interviewed at his home.
February 13, 1969.

Photographs by Ruth Teiser

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PREFACE

The California Wine Industry Oral History Series, a project of the Regional Oral History Office, was initiated in 1969, the year noted as the bicentenary of continuous wine making in this state. It was undertaken through the action and with the financing of the Wine Advisory Board, and under the direction of University of California faculty and staff advisors at Berkeley and Davis.

The purpose of the series is to record and preserve information on California grape growing and wine making that has existed only in the memories of wine men. In some cases their recollections go back to the early years of this century, before Prohibition. These recollections are of particular value because the Prohibition period saw the disruption of not only the industry itself but also the orderly recording and preservation of records of its activities. Little has been written about the industry from late in the last century until Repeal. There is a real paucity of information on the Prohibition years (1920-1933), although some wine making did continue under supervision of the Prohibition Department. The material in this series on that period, as well as the discussion of the remarkable development of the wine industry in subsequent years (as yet treated analytically in few writings) will be of aid to historians. Of particular value is the fact that frequently several individuals have discussed the same subjects and events or expressed opinions on the same ideas, each from his own point of view.

Research underlying the interviews has been conducted principally in the University libraries at Berkeley and Davis, the California State Library, and in the library of the Wine Institute, which has made its collection of in many cases unique materials readily available for the purpose.

Three master indices for the entire series are being prepared, one of general subjects, one of wines, one of grapes by variety. These will be available to researchers at the conclusion of the series in the Regional Oral History Office and at the library of the Wine Institute.

The Regional Oral History Office was established to tape record autobiographical interviews with persons who have contributed significantly to recent California history. The office is headed by Willa K. Baum and is under the administrative supervision of James D. Hart, the Director of The Bancroft Library.

Ruth Teiser
Project Director
California Wine Industry
Oral History Series

1 March 1971
Regional Oral History Office
486 The Bancroft Library
University of California, Berkeley

INTRODUCTION

Horace O. Lanza was born in Sicily in 1881 (or, as he explains, possibly in 1880). At the age of 10 (or 11) he came with his parents to a farm at Fredonia, New York. In 1901 he obtained his law degree at the University of Buffalo and successfully practiced law there until about 1915.

His interest in wine dates from about 1894 or 1895 when he worked in his brother's small winery in Fredonia. In 1915 he and a friend took over this winery. About 1920 he moved to California where he has since lived. All of his subsequent career was in the wine and grape industry. Most of this oral history concerns his wine career with numerous fascinating details of his operations and reminiscences of his friends and rivals.

At least three themes run through his story: wine and grape operations during Prohibition, his keen interest in grape growing in California, and his philosophical interest in people and education.

The Prohibition operations are particularly interesting. The large scale of legal operations are not widely known or appreciated. His early and successful production and sale of grape concentrate should be noted. The numerous intra-industry maneuvers during Prohibition are especially noteworthy--particularly his recollections of how they came about.

He has been associated with grape growing in many areas of California: Ukiah, Saint Helena, Cordelia (in Solano County), Elk Grove (in Sacramento County), and finally, and most importantly, near Delano. In all of these operations he was keenly interested in grape varieties and in factors influencing the quality of the wines which they produced.

Finally, there is his long and loyal friendship with his customers, associates and friends. In these relationships he reveals himself as a kindly man with a high and rare degree of consideration for his fellow human beings.

His memory slips very seldom. One such slip is his confusion of Paso Robles as a vineyard area with the Paicines

area 90 miles to the north in an entirely different climatic zone (p. 34 et seq.).

Altogether, it is a remarkable Horatio Alger success story.

Maynard A. Amerine
Professor, Viticulture and Enology

January 1971
101 Wickson Hall
University of California at Davis

INTERVIEW HISTORY

The interview with Horace O. Lanza was conducted in four sessions on January 30, February 5, February 11, and February 13, 1969. The first two were held at the offices of Calgrape Wineries, Inc., in the Sharon Building, San Francisco. In those sessions Mr. Lanza's younger associate of many years, Harry Baccigaluppi, participated. (He, like the other men who have worked with Mr. Lanza, call him "Boss" in direct address.) At that time, although Mr. Lanza had ceased formal duties with the firm, he continued to go to the offices frequently.

The third and fourth sessions were held in the library of Mr. Lanza's home in Piedmont, a well appointed and comfortable room where Mr. Lanza continued writing philosophical essays in the same vein as his book, Thought and Conduct (a copy of which he has deposited in the Bancroft Library) and the essay on family life appended to this interview.

Mr. Lanza has also from time to time contributed articles to the trade press, giving informed and outspoken opinions on various aspects of the wine industry. (For example, "Light Sweet Wine" and "Vintners and Vineyardists, Partners or Competitors?", Wines and Vines, December 1945 and September 1952.) Views expressed earlier at a pre-Repeal Congressional hearing in which several leading California wine men participated are reported in: U.S. Congress, House Ways and Means Committee. Prohibition, Modification of Volstead Act. Hearings, 72nd Congress, 2nd Session; Dec. 7, 1932.

Mr. Lanza spoke with deliberation, clarity and grace, and often with pleasure at recalling almost forgotten incidents. His style of speaking is reminiscent of his legal training and career early in this century. The initial transcript of the interview was sent to him in September 1969. Both he and Mr. Baccigaluppi read it. Few changes were made beyond occasional corrections and clarifications in wording and brief additions, some at the request of the interviewer. Following the return of the transcript to the interviewer for final editing, he gave some additional general comments in a letter of November 18, 1969. A copy of it also is appended to this interview.

Ruth Teiser,
Interviewer

30 January 1971
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University of California at Berkeley

(Interview with Horace O. Lanza with Comments
by Harry Baccigaluppi. San Francisco,
January 30, 1969)

EARLY EXPERIENCES

Teiser: When did you begin your career in wine making?

Lanza: I began to work in wine making (I won't say a winery) in about 1894, '93 or '94, in Fredonia, New York. That's in Chautauqua County, the Chautauqua district, near Lake Erie. I had a brother, an older brother, Peter Lanza, who was fired from a job he had in the canning factory. It seems that he was working in the summertime when it was hot--in those days the factories didn't have all the conveniences they have nowadays, and they worked sort of half-naked. Somebody threw a pail of water over an old German who was working near my brother and other youngsters, and he immediately turned around and asked my brother, "Who did it? Who did it?" Of course all the boys were laughing and my brother didn't say who did it. He concluded from that that he must have thrown the pail of water over him, and the old man hit the young man about twenty years of age, you see, and he hit back. Just then the foreman came by and fired both of them.

And I remember well, when he came home he was crestfallen at the loss of his job, because he had a job that he was sort of an expert in--sealing cans. In those days the tin cans that they used had an opening in the center of one end through which they would fill it up and then the hole would be soldered. So he was making good wages. My mother was a very religious woman but when she got excited she could swear like no

Lanza: trooper I ever heard. [Laughter] So when Peter told the fact, she said, "By Jingo," or something like that, "I never wanted you to work anyway. I want you to get in business for yourself." So she went to the trunk, got \$80, and gave it to him and said, "Now you go over to old man Smith's," who used to make a little wine, "and buy all the wine that you can. And then go to the city and sell it, at a profit."

Sure enough, he took the \$80, went to old man Smith, bought ten barrels of wine, or such a liquid that was called wine in those days. He went to the city and sold it for \$200--\$20 a barrel. He bought it at \$8, sold it at \$20. So he made \$120 that easy. Why, he had never seen so much money in his life!

Teiser: What city was it he went to?

Lanza: Buffalo. Buffalo, New York, which is about 43 miles from Fredonia. The following fall then he thought he would get into the business. And he bought a lot of fresh, empty whiskey barrels, as many as he could place in the basement of the house we were living in, improvised a little platform to crush grapes, and hired one of those burly Italians, barefooted, and so he proceeded to crush the grapes on this level platform. And from that, they would gather the juice and fill up the barrels. That was the first year. As I say, it was about 1894. In '95 he built a little plant there, a little wine cellar, near the railroad. And from that time on the thing started going up, and he was very successful.

I remember when he married. He was 27 years old. He owned a vineyard, 30 acres. He owned this little wine cellar along the railway track, the railroad. He had \$15,000 cash. That was a lot of money. In that winery, [when] I was a schoolboy, I would go there and help pile the boxes or sweep the floor or move, you know, the empty kegs--such work as a boy would do. I didn't realize at the time that I was learning the wine business, you see, by observing.

Anyway some time later I went then to the city, to the university to study law. My brother in 1911 was ailing and the doctor said he had to have a change of climate. So he came to California in 1911 and he closed the winery. In 1914 when the war broke out he wrote to me. I was then a young man. And he said, "Why don't you make some money for yourself? Open my

Lanza: winery. You can hire the help. Make some wine, because no wine is coming from Europe. And there's a good market for the home-made product." So I went to Fredonia to look it over, about 1915. When I got down there I met on the street a Supreme Court judge that I had known. He said, "What are you doing here in town?" I told him. I said, "I came down to look over the winery of my brother. He thinks that I should open it up."

"He's right! Let's go into it." [Laughter]

So I couldn't refuse to take the judge as a partner, [laughter] so we started the business, the wine making.

Teiser: What was his name?

Lanza: Lambert, John S. Lambert. So we made the wine all right, but we weren't making money. It required attention, you see, and the attention I would give to it would be say, once a week, once or so, to go over there from the city to look it over. So it wasn't going so well. I had saved by the time I went into this business \$14,000 cash. That was the capital I had. And I had invested all of it in this wine venture. So I talked to a brother-in-law of mine who was in the wine business himself on a small scale. I said, "If you take it over, at whatever price you think is right, as you sell you may pay what figure that I have coming." I've forgotten what it was, but he gave me \$1,000 down. In a few months he came to me. He said, "Here are the keys of your wine cellar. To hell with you and your wine." [Laughter] I said, "What happened?"

He said, "Too much work, too much trouble, and nothing in it." [Laughter] So I said, "Well, why don't you get somebody?"

He said, "Nothing doing. But I'll tell you, if you'll stay in there with me, as part owner, I'll carry on."

"Why," I said, "listen. I can't do it. The judge is in with me."

"Well," he said, "we'll take him in also."

"All right. Let's go." There was nothing else I could do. And he ran the business. Then we got

Lanza: into the war, and in 1918...

Teiser: Can I interrupt you and ask you what his name was?

Harry

Baccigaluppi: A. William Russo, R-u-s-s-o.

Teiser: And did you have a name for the winery at that time?

Bacci.: The Colonial Wine Company.

Lanza: Correct--that's the name that I gave to it.

Teiser: When you and the judge went in?

Lanza: Yes. I thought the word 'colonial' in those days, when the people were coming from Europe, you know, the new colonies....

Anyway, in 1918 there was the threat of Prohibition. And I could see it coming. And I had been reading. When I got in the wine business I started to read all the pamphlets or books that I could lay my hands on, which were not many. At least people that I knew didn't know of many such publications. And I read a lot about the French, the French people, that in off-years they would go to Greece or Turkey and buy raisins and buy grapes, and then bring them to France and they would make wine. And as they were talking about Prohibition, I thought, well, if the French could make wine from dried grapes, when we have Prohibition here, the houseowner can probably make wine from concentrate. And I worked on that theory.

So I came to California and I made a contract to buy some concentrate, through Mr. [A.R.] Morrow of the California Wine Association; made an agreement with the Woodbridge winery in Lodi to make--I've forgotten, it seems to me like 20,000 gallons of concentrate. That was a bigger order for concentrate than they ever had. And they didn't quite understand what I had in mind.

Anyway, they made it, and when they were making it their equipment to make concentrate was limited. They would take concentrate, so much grape juice, and put it in a tank. The next day some more grape juice and put it over the concentrate made the day before. And the next day, and the next day, with the result

Lanza: that this tank had the concentrate made, say, in two or three weeks, with the result that the concentrate would be warm and hot every day and would heat the whole mess and made it brown as brown could be. [Laughter] Well, anyway, they finally put it in barrels and I moved it to Fredonia.

It was this winery that I'm talking about. And we piled it on the floor there, not realizing or understanding that the floor of the homemade building [laughter] there couldn't hold the weight of, I've forgot, 300 or 400 barrels. So the floor [laughter] caved in over the tanks underneath, because there in Fredonia the wine cellars were underground to protect the winery from the winter conditions. Well, that was discouraging.

THE WINE INDUSTRY IN THE PROHIBITION PERIOD

Lanza: The result of our experiment with concentrate was not so encouraging, but I still was thinking of the effect of Prohibition, so I came here the next fall and I bought 1,300,000 gallons of wine. That is, I contracted it, principally with the California Wine Association, the firm of Federspiel Wine Company, and the Galt winery. This to be shipped as I would order it, but it had to be taken before the following vintage.

Sure enough the Prohibition took place, and there were, say, two kinds of Prohibition. One: that you could not use during the duration of the war any food product in the manufacture of alcoholic beverages. Therefore you could not use any grapes, you see. And that was temporary, while the war lasted.* (The second was the following January.) This law went into effect the first of July, I think 1918 or 1919, while we were still in the war, the last year of the war.

I had figured that when Prohibition would come that everybody would sort of hoard beverages, wine

*The so-called Wartime Prohibition Act, which took effect July 1, 1919. The Eighteenth Amendment took effect January 16, 1920.

Lanza: included, because they couldn't get it any more. And that is why I had bought heavily here, in anticipation of that rush. And sure enough when the first Prohibition came, on July 1st, all my competitors stopped shipping wine because the department, I've forgotten what they called it in those days, the department affecting alcoholic beverages in Washington...

Bacci: The Prohibition Department.

Lanza: ...the Prohibition Department [administrator] issued an order specifying that all beverages containing 2-1/2% of alcohol were prohibited. So you could sell anything less than 2-1/2%, but not over 2-1/2. I figured that he had no such authority, that his business was an administrative business but not a law-making. The act simply condemned intoxicating liquor, so the question of intoxicating liquor would become a question of fact. But when I called that to the attention of the department in Washington, they wrote back and practically told me "mind your business or else." So I paid no attention to it.

But on July 1st, when this Prohibition was supposed to take effect, the first Prohibition, all my competitors stopped. I continued. The railroad immediately sent orders to their local men not to accept any more shipments. So I went to court and procured an order to show cause why they shouldn't take my shipments. And I went to the railroad station to serve a copy of that order upon the railroad agent. The minute he saw me he said, "Oh, Mr. Lanza, I was coming over to tell you. I just got a wire from New York to accept your shipments." So I didn't show him the order I had in my pocket and didn't serve it. And I started to sell wine.

All my competitors couldn't understand how and why I went on selling wine. But their customers who had come to me and offered to buy wine, and I would refuse to deal with them. I wanted to take care of just my own customers. But they would importune me, and they would offer me, say, 2-1/2 cents per gallon higher. Well, then I would soften up a little and let them have a car or two. But some other competitors, they would come and try to buy some, but I was not willing.

"Look, I'll give you 2-1/2 cents higher."

Lanza: They were raising the market themselves, not me. The wine started at 40 cents a gallon. I had paid for it 28 cents a gallon. The last of the wines I sold I think was about 85 cents a gallon. So that year I made \$251,000 net, which was more money than I had ever seen in my life. [Laughter] And then I became interested in following the wine business.

With regard to the law, about November 1st of the same year that the Prohibition had gone into effect the Supreme Court of the United States rendered a decision in the case of the United States against Feigenspan--I still remember the name, Feigenspan Brewing Company of Jersey City--in which they held as I had contended that the administrator in Washington could not determine the percentage of alcohol that was intoxicating. And therefore he could not specify 2-1/2%. Immediately Congress met and I think in a matter of four or five days they passed the Volstead Act, which specified that anything above 1/2% was intoxicating. By that time I had finished selling all my wine. My competitors started to sell, but the law was passed and they were stuck in the end. Well, anyway, that was the first incentive that I had to go into the business on a larger scale.

I came to California with my brother and we bought the winery at Elk Grove that was owned by [Edward L.] daRoza, the daRoza winery at Elk Grove. And we called it the Lanza Winery. My brother put his name, the Lanza Winery. We started to plan a big production, when suddenly my brother passed away. Mr. [Sophus] Federspiel of the Federspiel Wine Company came to the funeral. It was in Sacramento. And he told me after the funeral, he said, "Who's going to represent you now?" I said, "I don't know." "Well," he said, "I'd like to represent you. You have the choice. We could go either in a joint account, a partnership, or a corporation or any way that you wish." Well, I had dealt with Federspiel and I liked the way that he carried on. In the same manner he liked the way I had dealt with him and he wanted to form a partnership. So I said, "No, no partnership. But I am agreeable to form a corporation, incorporate the company."

"Okay."

- Lanza: So we incorporated the Colonial Grape Products Company, which was the same name of my little winery in Fredonia. And Federspiel, Mr. [William] Leichter, the son-in-law of Claus Schilling--they took 50%; and I and Judge Lambert, and my brother-in-law took the other 50%. Mr. Schilling, the father-in-law of Mr. Leichter, he would be at the office frequently and sort of be an advisor or counselor. But he could not be in the company because he had sold out his interests some time before to the California Wine Association, and he had agreed that he would not get into the wine business, as one of the conditions of sale, either directly or indirectly. But as he told me one time, he says, "I didn't agree not to loan any money to Willie." [Laughter]
- Bacci.: Willie being his son-in-law.
- Lanza: So we went on and we carried that on until 1935, I think.*
- Bacci.: When did you tie in with Vic [Repetto]? In about 1932, didn't you?
- Lanza: Yes. I'll tell you exactly. It was 1933, and how I remember is that we made the agreement with the California Grape Products Corporation, February 29th. It was a leap year. And four days later, in '33, Roosevelt closed all the banks. You remember, when he was elected one of the first things...
- Bacci.: That would make it, Boss, let's see...
- Lanza: '33, because the election was '28, '32, '36, '40.
- Bacci.: Let me ask this question of you. Can you draw on your memory to this extent: Did Repeal come in the same year in which Roosevelt closed the banks?
- Lanza: If it did, it was at the tail end, because...
- Bacci.: It came on December the 5th, 1933. That's why I'm trying to tie the dates in, you see.
- Lanza: Yes, that's right. '33 then.

*See also p. 74.

Bacci.: So it was the year before then that he closed the banks.

Lanza: He closed the banks four days after he took office. He was elected November, '32.

Bacci.: That's right, okay. Just wanted to get the chronology right, that's all.

Teiser: Was that the end then of the Colonial Grape Products Company, or...

Lanza: Yes, that was the end.

Bacci.: That was the end so far as you were concerned.

Lanza: So far as I was concerned, because this was the condition: during Prohibition the first two or three years when nobody understood or knew the effect of real Prohibition, we made a lot of money. After three or four years it began to go the other way.

Teiser: What did you sell during Prohibition?

Lanza: We sold wines for sacramental purposes...

Bacci.: And to non-beverage houses.

Lanza: And non-beverage. And we had quite a trade.

Teiser: May I ask you a question? I came across in the Wine Institute's library two little pamphlets. One was for Caligrapo concentrate* and the other was Grap-O-Ney.** Grap-O-Ney was for baking.

Bacci.: Grap-O-Ney, I believe, Boss, was something that old man [Mario P.] Tribuno had developed from a white concentrate for sale to the baking trade where they were going to use concentrate in place of invert sugar. Do you remember that?

Lanza: Yes, I remember that.

Teiser: Was Caligrapo yours?

*Caligrapo, The Pride of California, 1927.

**Baking Better and Healthier Products With Grap-O-Ney, 1928.

Bacci.: It became that after. There is one little break in this that had to do with the severance of his relationship with the Colonial Grape Products Company, his selling his interests. And the acquisition shortly after that of California Grape Products Company, Ltd.

Lanza: That's right.

Teiser: I see. I was trying to get back to Prohibition uses for manufacturing.

Lanza: Yes. There was considerable business with manufacturing concerns, like for instance I recall one of the best customers we had was the Campbell Soup Company. They used some sherry wines, you know, for seasoning in their soups. Perfectly legitimate. We enjoyed quite a nice business. There was another firm in Philadelphia, the Bayuk Cigar Company, that used wines in the seasoning or curing of their leaves, their tobacco leaves. And we had considerable business with them.

But the greater part of business was the sacramental. The sacramental was, if I remember correctly, in the Jewish faith. They were using wines in their services. So a man, say a rabbi, that wanted to buy some wine, he would go to the Prohibition Department and say, "I need 20 barrels of wine for my congregation." And they would say to him, "All right. What kind of wine do you want to buy?" "Well, port." "From whom?" "From the Colonial Grape Products Company." "Very well." They would send us an order, the government would send us an order in quadruple in which they would say, "You may deliver to Rabbi so-and-so 20 barrels of port." When we would receive this communication from the government, we had to send it back by registered mail and say, "We have received the enclosed papers. Are they genuine? Were they issued by you?" The government would return it to us again and say yes. Then we would have to file one copy of that order and the envelope in which it arrived, and keep it for record. We would deliver the 20 barrels and send one copy, one of the four, to the government, say[ing], "Order fulfilled;" one copy to the rabbi, "Order fulfilled;" and one copy to the transportation company in case they were stopped [by authorities] on the way to delivery, say[ing], "How come you've got this liquor, or wine?"

So when we would get the order we weren't required to be concerned what became of the wine after it left

- Lanza: our premises, and there was considerable business. But later, eventually, it was going less and less. As the enforcement of Prohibition was becoming more experienced and so on, the business was going down, so we were not making money.
- Teiser: There was a family allowance, was there not, so that people could make wine at home? Did you supply them?
- Lanza: Yes, but that was, you could sell grapes and they, the ordinary householder, he had to be a householder, to...
- Bacci.: To make wine. But he couldn't buy wine.
- Lanza: He could make up to 200 gallons.
- Teiser: But he had to crush the grapes himself?
- Lanza: Not necessarily crush them, but he had to make it, he himself.
- Teiser: Then could you supply him grape juice?
- Lanza: Exactly. You supply him grape juice or concentrate, which he could dilute, and start a fermentation that would be on his premises and only for his own use, that is, of his family.
- Teiser: Did you have a large business in that?
- Lanza: Well, the business that we had was the selling of grapes and then every grape grower was a competitor.
- Teiser: What kind of grapes were you growing then?
- Lanza: All kinds of grapes. We had vineyards, all kinds of wine grapes as I recall.
- Teiser: Were you making sweet wines only or some dry wines?
- Lanza: We were making all kinds of sweet wines. We were also making brandy. There were only two permits for brandy. One was held by the California Wine Association, and one by the Colonial Grape Products Company. Those were the only two.
- Bacci.: Didn't that come toward the tail end of Prohibition?
- Lanza: Exactly.

Bacci.: It was in anticipation of the law's changing.

IN AND OUT OF FRUIT INDUSTRIES

Lanza: Well, as I say, business, as Prohibition was coming along, was getting lower and lower, and we were all in bad straits. On comes a politician from Washington. I don't recall...

Bacci.: Donald D. Conn.

Lanza: Yes, Donald D. Conn. And he got us in the industry to believe that he was representing Hoover, who was then President of the United States, and his mission was that Hoover wanted all of these wineries that were active to combine so as to have only one unit to regulate and one unit to watch. And if we didn't get together he was going to suppress us out of business altogether. He would make statements of that sort and use certain words, which we noticed more than once that Hoover in making his speeches would use the exact words that this fellow was using with us. So we believed his message, do you see, and we combined. And there were I think 11 firms, or rather nine firms I think--nine firms. There were nine wineries, the leading wineries in the state, and we formed the Fruit Industries. In the participation, however, two members, two of the nine, had 51% control. And of the two, one was a very strong figure, the other one was very weak.

Teiser: What were they?

Bacci.: One was Paul Garrett.

Lanza: Yes, we'll put it that way. [Laughter] One was Paul Garrett, the other...

Bacci.: And the other was Secondo Guasti, Jr.

[Interruption while tape is turned]

Bacci.: We were at the formation of the Fruit Industries.

Teiser: ...speaking of Paul Garrett and Secondo Guasti, Jr.

Lanza: The rest of us, I don't remember all of the names, but seven of us formed the minority. The elder of the two

Lanza: was a strong-willed person and he controlled the younger man's conduct. The result was that we formed into two groups. The majority wanted to eat up the minority, and the minority wanted to tear up [laughter] the majority. Every time we had a meeting of the board of directors, in which the nine companies were all represented, there would be a row between the majority and the minority. I happened to become the leader of the minority, and whenever we would have meetings there would be a row, because the others didn't make any bones about taking advantage of us, and we in the same manner didn't use any gloves with them. That would be some noisy meeting. One time we were holding a meeting and some matter with regard to a loan from the government came up on which we were all agreed in one way or another. But Mrs. Willebrandt, who was from the Attorney General's office in Washington, came...

Bacci.: Mabel Walker Willebrandt.

Lanza: ...and questioned and wanted to hear from every member of the group how they felt about it. This was the only meeting where we were all in agreement, to get a loan from the government of four million dollars. Each person stood up at the meeting to express his opinion. There was one member who always sat next to me; that was Frank Giannini of Tulare.* And Frank Giannini of Tulare was about my size but a little stronger, a little wider and a little stronger, and a little older than I was, and we were quite friendly. He had a habit of falling asleep while he was talking to you, if that is possible. And yet while he was asleep, by golly, he would wake up and he had heard everything, you know, and take part in the conversation. It was phenomenal, and everybody sort of talked about Frank's capacity to be awake when he was asleep. But this time when they were taking the opinion of each member, when it came to me, I got up and expressed my opinion, my consent. But once in a while I get excited and I talk loud; that is, I'm more emphatic on certain expressions than others. When I got through someone said, "Now we'll hear from Mr. Giannini," who was next to me and

*Frank Giannini, president of the Tulare Winery Company, became a member of the board of directors of Fruit Industries as a representative of the "Elba Land Company" at some date prior to the end of 1930.

Lanza: was asleep. Apparently the only thing that was ringing in his ears when he was called was my voice. So he got up, he says, "I agree with Mr. Lanza. You're all a pack of thieves and scoundrels. I'm going to have you all put in jail." [Laughter] Everybody sat and laughed because it was the only time when we were in agreement, but Frank thought that another row was in process. [Laughter]

Well, anyway, in connection with that loan of the government, they wanted the okay from every member. Then those of the minority thought we had them; that is, we had the majority in number. When they came to me, I said, "I will not agree to it. I refuse."

"Well," they said, "that isn't cooperation."

And I said, "Where did you hear of the word cooperation?" We got into an argument, and they said, "Well, what can we do?"

I said, "Well, then get rid of me."

"How can we get rid of you?"

I said, "You give me back my properties and I'll give you back your certificate of stock."

They said, "But we've had expenses. We've incurred expenses."

"All right. How much is my share?"

They figured it out and said about \$20,000. "All right, I'll give you \$20,000 and give me back my property." It was agreed.* We were going to get the

*According to the minutes of the August 27, 1931, meeting of the board of directors of Fruit Industries, Ltd., "The Colonial Grape Products Company of California requested the privilege of removing plants and equipment and inventory from Fruit Industries." The request, it was noted, was made by Mr. Lanza. A resolution was passed authorizing the corporation's secretary and general counsel "to negotiate with Mr. H. O. Lanza to effect a satisfactory agreement," and laying down certain terms and conditions.

Lanza: loan, but there was delay, and there was delay, and there was delay. Finally I served notice on all of them. I said, "I'm going to Washington and I'm going to prefer charges against all of you for graft, everything in the code." And by Jove they mentioned a date and we all went to Washington. You see, this agreement to let me off on the payment of \$20,000 was delayed, delayed, delayed. That's why I lost my patience. So we all went to Washington and we went before the Farm Board. The chairman of the Farm Board was the man who was president of the Harvester International...

Bacci.: Is that McCormick?

Lanza: That company, but the fellow's name was not McCormick. Anyway he was the chairman of the Farm Board. By the way, by that time while I was in Washington I found that the conditions were worse than what I had expected about these fellows. Wasting a lot of money through this politician that I told you came and organized us.

I said then, "If you will give me my property right now, I'll pay you \$40,000 instead of \$20,000. But I want it now." So they told Mrs. Willebrandt, and Mrs. Willebrandt stated to the chairman of the Board that they wished an order be made as soon as possible because Mr. Lanza, one of the members, insists on having the disposition made. And this gentleman, the chairman of the Board--I can't think of his name, it's at the tip of my tongue, it may come to me. He said, "Well, Mr. Lanza should realize that these matters that come before the Board take a little time. But you may assure Mr. Lanza that there will be no unnecessary delay." He didn't know that I was standing in front of him.

After the meeting we went into the office of the Attorney General of the United States, who was attending this meeting--he was later appointed Supreme Court justice. I can't think of his name now. Anyway, he was then the Attorney General, and when we went into his office he said to me, "Well, Mr. Lanza, this is a cooperative. Any privilege that we extend to you must be extended to any other members that wish to avail themselves."

I said, "I have no objection to that. My concern is only that I want to get out." So the thing went through and I went out. And I continued business.

Lanza: Some time later, about a year later, then this fellow Garrett, who was the leader of the majority, he wanted to get out. But they didn't know how to get out. So he sent to me one of his associates, Frank Hope, who was a heck of a fine fellow, a likeable chap. And I guess he knew that Hope could ask me for a favor while he couldn't, see. And Frank Hope came to me and he said, "Horace, do you mind coming with me to see a lawyer in Washington and explain to him how you got out?"

I said, "Fine. I have no objection." So I go with Frank Hope into the office of these attorneys for Garrett, and in the course of the conversation I said, "Look, when I got out we went into the office of the Attorney General and this is what transpired. He said, 'A privilege we extend to you must be extended to other members.'" He said, "Did he? What was the date? Because all those things are matters of record." And he goes afterwards and finds that, and Garrett gets out through what I had a year before. [Laughter]*

CALIFORNIA GRAPE PRODUCTS COMPANY**

Lanza: Well, at about this time one of the members of the seven, who owned the California Grape Products Company, came to me.

Teiser: Who was he?

Bacci.: Victor Repetto?

Lanza: No. Well, this fellow was at the head of the California Grape Products Company. He said, "Buy me out. Buy me out." I said, "What the hell would I buy you out with?" He says, "You don't have to have any money." I said, "What do you mean?" He said, "Let me show you that it's a bargain."

Well, the more he was anxious to sell the more I was inclined to leave well enough alone. Anyway he showed me that it was a bargain. He was concerned--he owed \$319,000--and he was concerned that if they

*See also p. 41.

**For the early history of the California Grape Products Company, see the interview in this series with Antonio Perelli-Minetti.

Lanza: foreclosed on him they would take not only his property but a deficiency judgement, which might affect some of his properties in New York. He lived in New York, although his property was here. The vineyards and the plants were here. So he said, "Look. I will take \$250,000, payable \$50,000 every two years, over a period of ten years, without interest."

The offer was very fair, I thought, rather low. But I had had troubles of my own, which were substantially this: I had been on the board of directors of a bank in Buffalo. This bank through the crash of 1929, or shortly afterwards, went under and all of the fellows on the board, we were all stuck. I was stuck in this manner. I was a very close friend of the president. He had been a young man in my days when I was a young man. And he wanted me to take some stock to buy the stock of the bank and hold up the price.

But when I said, "Look, I haven't got any cash"-- I already owned some stock but I didn't have cash to buy stock to hold up the price--he said, "But the bank will loan you the money." So he would loan me the money to buy his own stock, and so did the other members. So we all got stuck, and they came here to San Francisco and sued me for a deficiency besides taking what properties I had and stocks and what not, that they had in their possession. They got a judgement against me for \$128,000, here in the federal court.

So I was in that sort of trouble when this gentleman was trying to sell me his business. But he said to me, "Now, look. I'll give you \$5,000 cash if you'll buy me out." He said, "With the \$5,000 that I'll give you, you've got enough money to pay your expenses for one month--your office help, your telephone bill, blah blah. At the end of the month, if you think you've made a good deal, it's yours. If you think you've made a bad deal, you walk out. You spend my money, not yours."

So, gee whiz, could I afford to turn down an offer like that? The fellow simply had confidence in me and thought I could make it a go. So I made the deal, and I went to my partner, Federspiel. He knew that I had been talking with this party before. I said, "I made this agreement now. We can take it in the name of the company, or we can take it in the name of our own, as partners, or any way that you please."

Lanza: "Well," he says, "I'd like to think it over." I said, "Certainly. Here's the contract." I gave him the contract. The next day, and the next day, and the next day, no answer. So I talked to him. I said, "Mr. Federspiel, will you make up your mind? I've got to do something here, either get in or stay out."

He said he wanted time. So we called Mr. Leichter, the son-in-law of Mr. Schilling, and we met, and I was for taking it over in the company's name, but the other two were not. They said, "Why do you want to get into more business? Haven't we got a setup by which you can develop all the business that you want?"

I said, "This is a bargain. This is a bargain and I'm not going to let it pass." "Well," they said, "we are not willing to go into it." I said, "Gentlemen, have I put the cards on the table?" That was the very expression, I recall.

They said, "Well, there's no question of cards on the table. You've always been very fair. But we simply don't like to extend our business." "Well then," I said, "gentlemen, I'm going to take it in my own name." Federspiel said, "What will you do with your interests here in this company?" I owned a half interest at that time. I said, "I'll do what you're doing, Mr. Leichter. I'll be a silent partner."

Well, that was final, and I went ahead and bought this all in my own name. Roosevelt then, as the law changed, the Prohibition law changed, and the following year overnight, the way I had lost in the crash of '29, in the same manner overnight, boom! I became rich again. Because all the vineyards--there were 1,600 acres of land, two plants, one at Ukiah, one at Delano, and a warehouse in New York, you see. And that was the start of the upgrade after that.

Teiser: What was the legislation that Roosevelt approved?

Lanza: The repeal of Prohibition. And wine went up. [Laughter]

Teiser: That's a good note to stop on for today.

(Interview with Horace O. Lanza with Comments
by Harry Baccigaluppi. San Francisco,
February 5, 1969)

Teiser: When we stopped last time you were telling about your good fortune right after Repeal, and I thought I would ask you a question just at the beginning, before you continue the narrative. Since you were one of the people most experienced in the wine industry at that time, you must have had quite definite thoughts about the way the industry would go and should go in this new period. What did you think at that time? What did you feel should be done?

Lanza: I felt that there was a future in the industry. When I started to become interested in the industry, knowing that I was not well equipped in the start, I did considerable reading. And particularly I recall I started with a little treatise on wine making by Husman.* He was one of the first men in the country, and I think he was from Missouri, and he wrote a pamphlet about grapes and wine making particularly with regard to the labrusca type, which were the type of grapes grown back East. And that, among other things, explained that in those years when the grapes do not mature properly and when the sugar is low, you may add sugar to bring the fermentation to the desired result you wanted to get, about the alcohol. Well, that process was called "gallizing", which as I recall was a Frenchman that devised the scheme: how to improve the production of wine by adding sugar and the corresponding amount of water and acid that you wanted. That got me then interested in French authority. I could read French, though I couldn't speak, but I could read French as easily as I could read Italian or English. And I read a great deal of the authorities, both Italian and French, on wine making, and they in turn would be discussing in their treatise German authorities; that is to say, they would quote the German authority so-and-so. So I felt that I got a smattering of wine making from all parts of Europe.

*Husman, George. American Grape Growing and Wine Making.

Lanza: I believed that there was a future for the wine business because the people of Europe that had populated the Americas, South Africa, Australia, wherever they went they carried the wine tradition. And so I thought that wine in this country was going to develop as it did in other parts of the world. I went further: I believed that the grape is sort of a wild bit of nature, of agriculture, that it is found, as I got from the authorities, in the temperate zone. You don't find it in the equator, where it's too hot, nor in the arctic where it's too cold. But you find it wild, in the wild state, and by the law of selection you have developed the type of grapes that make the best wines.

Well, if that is correct, I reasoned, then in the United States one must be able to grow grapes in any state, because of the wild varieties that have been found along rivers and streams. Only you could not grow the same type of grapes. That is to say, the type of grapes that would thrive in Texas would not thrive in Montana, or Utah. But there would be other varieties. So I believed that there was a field that promised, you see, development. So I had faith and I had confidence that the business was going to grow, more wine was going to be used, that the same kind of people you would find in South Africa and Australia and Canada would develop the business here. And that was the thing that gave me sort of hope or confidence that I could make something out of it.

Teiser: When we last spoke, you were just coming to the period after Repeal.

Lanza: That's right. At that time when I acquired the California Grape Products I had one plant at Delano, a winery at Delano, and one at Ukiah. Shortly after my taking over the California Grape Products, it came to pass that I was not satisfied in keeping my interest in the old Colonial Grape Products Company. So after some negotiation we effected a liquidation, by which...

Teiser: That's the Federspiel interests?

Lanza: Yes...by which I acquired a plant and vineyard at Windsor, vineyards and a winery at St. Helena, and a plant at Napa, a plant at Elk Grove; and I operated those rather successfully. But the wine business, when Repeal came, made an upsurge immediately and then

Lanza: it slackened. We weren't making so much money for the investment. Things were rather tough in the late 'thirties. Then the war broke out in '41, and things went way up. I think it was during that war that grapes could not be used for the manufacture of intoxicating liquor.

Bacci.: It was those varieties that were suitable for food, which meant principally the Thompson and the Muscat, which represented a large portion of the grapes.

Lanza: That's it exactly. But immediately after we went into war in '41, prices went up and again I was in flush [laughter] conditions with plenty of money.

ITALIAN VINEYARD COMPANY

Lanza: About '42 or '43 I acquired another winery.

Bacci.: That was 1943.

Lanza: In 1943 the Italian Vineyard Company of Guasti, California. And that comprised a plant there at Guasti, near Ontario, and 5,000 acres of vineyard.

Teiser: What had been the history of that organization?

Lanza: Well, that was very interesting in its start. One evening I was entertaining a friend of mine who was vice-president of the Garrett & Company, Cucamonga. We were having lunch at the Fior d' Italia--rather a dinner--an evening at the Fior d' Italia.

Bacci.: In San Francisco.

Lanza: While we were eating, Nick [Nicola] Giulii, the president of the Italian Vineyard Company was there in the dining room. He saw us, and he came over to greet us, shake hands with us. And we stood up, and then he walked away. This vice-president of Garrett & Company, Roy Weller, said to me, "You know that they are for sale," meaning the Italian Vineyard Company. I said, "The hell you say!" He said, "Yes, they are." I said, "By God let's buy them!" I said it in a sense of being facetious, you know, joking... But we went on with our dinner and forgot all about it.

anza:

About two or three months later I received a letter from him, from Weller, where he enclosed a lot of statements. He said, "I don't know whether you were joking the night we were at the Fior d' Italia and I told you the Italian Vineyard Company was for sale. But whether you were joking or not, here are the papers, if you are interested. My company has been considering the purchase of it, but they have finally decided against it, because of their contract with the Canada Dry Company, who were distributing their wines."

I read all of the papers, the statement of this company, and I could hardly believe that the thing was for sale or that anybody couldn't buy it, because I could see from the statement that I could buy them with their own money. So when I got through reading all these papers--it was in the morning on a Friday morning--I called Weller on the telephone. He was in Los Angeles. And I asked him a lot of questions. I got through with him, then I called another fellow that knew the Italian Vineyard Company's affairs, asked him a lot of questions. I got through with him and I called Weller again, asked him some more questions. "Well," he said, "if you're interested, why in hell don't you come down here? They're going to hold a meeting tomorrow at 10 o'clock to consider the disposition of it at any price."

So I agreed. I asked him to call the second man I had called and meet me at the station the next morning, on Saturday morning. In those days it was difficult to get accommodation on the train. But by luck and anxiety, some fellow was taken off the train. That is, the ticket was removed because a "government official" needed that space. [Laughter] I mention that, how things just happen that ordinarily wouldn't come to pass, as if just fate wanted it that way. The next morning these two gentlemen met me. We went to the meeting, which was held in Los Angeles but I've forgotten the name of this building. We went to this meeting. It opened at 10 o'clock, and by 10:30 I had made an offer to buy them. And they accepted it. And I signed an agreement, just a temporary agreement, and deposited \$50,000 for the purchase of the whole organization. And I didn't know at the time whether I had \$50,000 in the bank or not. I thought I did, but I wasn't so sure. And I didn't mean to kite, but I mean I was so unprepared that I didn't know, and of course I felt that if I didn't have exactly \$50,000

Lanza: I'd telephone one of my boys and say go to the bank, see Mr. So-and-so and make that account good, and I thought I could obtain what I needed. So I bought it, I think for...

Bacci.: 3,400 shares at \$600 a share. That would be \$2,040,000.

Lanza: But altogether there were certain stockholders who wouldn't sell. They didn't want to sell. It would have amounted to about \$2,250,000, as I recall. This is in round numbers. I took it over. Now, the reason why the property was not valued on the street was because the management had made a contract with the Canada Dry Company before the war, before prices went up, where they tied themselves for 15 years at the price that was prevailing at that time, let us say \$3 a case.

Teiser: Was this the wine that was sold under the IVC label?

Lanza: That's right, under the IVC label by the Canada Dry. And the vineyard company, as they wanted to sell it, I learned afterwards that they had offered it to five or six liquor interests like Schenley. They had offered it to Seagram, they had offered it to the Italian Swiss Colony, Di Giorgio, and a number of firms; and they had all turned it down, because of this contract of exclusive distribution. I reasoned that the Canada Dry were a gilt-edged concern, what we used to call a blue chip, and if I showed them where they could make \$2 when they were making only \$1, that they would be willing to go along with me and divide that extra dollar. I mean, figuratively speaking, that if I could show them where they could make more money than they were making that they would be willing to divide that profit with me.

Also when I read the contract I could see that the contract was a tight, absolutely tight contract written by two sets of lawyers who knew the legal niceties of a contract but had no sense of the business at all. The contract was air-tight, but I know that in any business, from experience, unless there is cooperation between the production department and the selling department they are headed for the rocks. That was not part of the contract. Do you see what I mean? That consideration was over and beyond the contract. So I immediately invited the Canada Dry to meet with me where I'd have a plan to show them. And through Harry [Baccigaluppi], who was then in New York--they

Lanza: were located in Philadelphia...

Bacci.: No, they were in New York.

Lanza: ...they made an appointment to send one of their men to confer with me. An appointment was made to be held in the offices of the Italian Vineyard Company in Los Angeles. So I went down there on that day. And I waited for the appointment at 10 o'clock. Eleven o'clock. About 11:30 I asked our man, I said, "Phone this hotel and see if probably the gentlemen have started, been in an accident, a taxi or what not, and let's find out." He called and got this vice-president and he said, "If Lanza wants to see me he knows the way to this hotel. It's up to him." When my man repeated that conversation to me, I took the receiver away from him and slammed it down. I said, "He'll live to regret it." Maybe I went a little bit rougher in my language than that. And sure enough I paid no attention.

And then I wanted to start the war. I didn't want to wait until the war was started. I wanted to start the war. Just about then on comes the government. They had gone over the records of the laboratory of the Italian Vineyard Company and they had found that the chemist, in starting a culture for wine making, had used a pint of apple juice, for the purpose of getting better fermentation through the malic acid in the apple. That is to say, his theory was that the malic acid will excite the little ferments to better activity and get a better culture from start. Well, this pint was put into a quart of the liquid, of the grape juice. The quart was put into five gallons; the five gallons into 50; the 50 into 500; finally used in the winery as the yeast of fermentation.

So the government's point when they came to me was, this is in violation, because you have used a fruit other than grape in the process of wine making. Quick as lightning it came to me: here's some dynamite I can use. I said, "You're right." I said, "All this happened before I came here, so I'm sorry. What can we do?" "Well," he says, "it's a violation. Make an offer and compromise." I said, "All right, what do you want the penalty to be?" He said, "We want you to pay \$5,000." "Okay." So I immediately paid the \$5,000. This culture and this had gone right through the winery, do you see? So I took their (Canada Dry's)

Lanza: leading brand that they were selling the most of, and I stopped it. I stopped it and they said, "How come?" And I explained to them that the government had found that there had been contamination and stopped the sale because it was not a pure wine. They couldn't afford to give them a wine that was condemned, do you see? So I stopped the leading brand.

Teiser: What brand was that?

Bacci.: That was the Cucamonga brand.

Lanza: Whatever it was, I don't remember the details. So they then wrote and to stop me they ordered, they wanted all the wine that I had by orders so there would be an immediate sale. And I wrote back, "Sorry, I can't let you have all the wine. This company has developed over the years two types of distribution of business. One is the bottled goods and one is the bulk. And one year the bottled goods is in greater demand, another year it's the bulk. We can't afford to shut off one or the other. Your contract provides only for the bottled goods, not for the bulk. So we can't accept."

So they sent back an order for over a million cases. I wrote back, "Sorry, can't accept it. Our equipment is capable of producing only 25,000 cases a month, and in the period of 12 months the most that we can accept is 300,000 cases." I didn't say that I could put three shifts; I didn't say that I could put more equipment. You see what I mean? Where there is no cooperation between the production and the sales department any business is headed for the dumps. Whoever wrote that contract of 15 years didn't know that, you see. All they knew was the legal requirements. So it went on. It went on for about a year. And nobody coming to see me at the end of a year.

Bacci.: We raised the prices.

Lanza: I told him that I would raise the prices. We didn't, but we were...

Bacci.: We gave notice that we would.

Lanza: Yes, that we would. So on comes a vice-president of the Canada Dry, a fellow by the name of Mr. [Bill] Williams, a young attorney about 45 years of age, and he was a fine chap, a fine gentleman to talk with and



OPA wine advisory committee members photographed May 12, 1944, at close of 4 day meeting in Washington, D.C. Standing, left to right: G. Taylor, consultant; W. Taylor; J. Vai; H. Wente; B.V. Granfield; L.K. Marshall; J. Bardenheier, Jr.; W.B. Bridgman; E.W. Wootton. Seated, left to right: C.Gelman; R. Bingham, OPA; W.D. Sanderson, OPA; A.G. Fredricks, OPA; H.O. Lanza; F. Butte. Photograph courtesy of Harry Baccigaluppi.

Lanza: a good businessman too. So he came to see me. He had been a lawyer for the Securities Exchange Commission before going with them, so you see he was quite a capable fellow. He came to see me. He was very nice and I felt that I could see a gentleman the minute he started to talk and I tried to be just as gentlemanly myself. But while we were talking we were having a few drinks. There was...was it in the house or in the office building?

Bacci.: That was in the office. You hadn't taken him over to the entertainment center yet.

Lanza: There was a nice room there, well furnished and very comfortable.

Teiser: This is at the winery?

Lanza: At the winery. So he started to talk about this raise of price. They weren't going to raise the price. By that time my tongue was rather loose. I said, "Williams. I'm telling you that on the first of April if you don't agree to pay \$1 per case higher than you're paying now, I'm going to stop shipments altogether. And I know goldarned well you're not going to take it lying down. Still knowing that, I'm telling you that if you don't agree to pay \$1 more on the first of April you're not going to get any shipments."

"Well, what the hell is the matter with you, Lanza? That isn't cooperation."

"Where did you hear of the word 'cooperation'?" Then I went through the whole rigamarole. "Well," he said, "is it that damned contract you're worried about?" He says, "Write your own contract." I said, "I don't know as I want a different contract. But I'll think about it." And we left it that way. The next day I went to this friend of mine of the Garrett Company who was having dinner with me at the Fior d'Italia, who had sent me all the papers. I said, "How would like to buy the Italian Vineyard Company?"

He said, "Oh, no, not as long as there is that contract." "Well," I said, "would you buy if you had a contract of your own liking?" "Oh, well, we might."

I said, "All right." Then I went on and told him this conversation with Mr. Williams. I said, "You go

Lanza: down there and say that you represent me. You tell them the kind of a contract you want and say that's the kind of contract I will accept if they're going to change it. Would that be a deal?"

"Oh," he says, "it'll be a delightful..." I said, "Wait a minute now, wait a minute." I said, "You should know first about the price." He said, "All right, what's the price?" I said, "\$1,500 a share." I had paid \$600. He said, "Agreeable, providing we get what we want."

They went to the Canada Dry. They got the contract and they bought from me at \$1,500, which made it about \$4,750,000, made \$2.5 million for myself and my associates. That was the story of the...but, Garrett & Company made money on it. Not only did they make money in the business, but the value of that vineyard, you know, with the buildings and what not, I understand that they made \$12,000,000 to \$15,000,000 themselves afterwards. But that was conditions, you know.

Bacci.: That was sometime later, of course.

Teiser: They were producing wine under the Virginia Dare label?

Lanza: That's right. And finally they sold out, they got out of it. But that was the story of the...[laughter] And at that time when I had that Italian Vineyard Company and the other plants and vineyards that I got from California Grape Products and from the Colonial Grape Products Company, I figured that I had seven plants, 8,000 acres of vineyards, and I've forgotten what else. I think it was about the time that I had sold--no, I really sold after Birdie passed away. I had a daughter that was the pupil of my eye in the sense that she had been the baby.

Bacci.: When you say sold, you mean when you had not sold the Italian Vineyard Company. I think that came later.

DISPOSING OF PROPERTIES

Lanza: Then, as I say, this daughter that had been the pupil of my eye, she passed away. And my nature changed immediately. I thought, what the heck is life? Why are we brought here? Why are we ticking away? Why are we striving and fighting? I lost heart, and I began to sell. As I sold the Italian vineyards, I sold all of my other properties except one unit at Delano. And the reason for retaining this unit at Delano was that the war was over or about over, as I recall. There was shortage. And I thought to myself, if I sell the last unit these fellows who have helped me to make money in the past, these fellows who were really responsible for my success, where will they be? They'll be out on the street. And I thought, no, I'm going to keep this last unit and I'm going to give it to them.

About that time [Joseph] Di Giorgio and I were not friendly. We had been very close friends in our younger days, but through some misunderstanding late in life we were far from being friendly at all. He wanted to buy this last unit, and he asked a former associate of mine, Victor Repetto, to try and get me to sell to him this last unit. And he would pay \$500,000 over and above the book value. Now he didn't know what the book value was, but he did know that of course whatever the book value was because of the existing conditions, that he would pay \$500,000. But I decided no. I had made plenty of money on my other sales.

So I called six or seven customers of mine to whom I felt indebted through the business I had enjoyed with them, and that included Bardenheier of St. Louis, Heublein of Hartford, D.W. Putnam of Hammondsport, Pleasant Valley Wine Company of Hammondsport, Engels and Krudwig of Sandusky, Ohio, Lombardo Wine Company of Chicago, and A.W. Russo of Fredonia. And I called them together and explained to them my offer. They could have the property at book value. The inventories, particularly, for instance, in the book value was something like 40 cents a gallon, but because of the government fixing prices under the O.P.A. it was \$1.40. And I said to the boys that they could have it at book value, so they got it at 40 when it was valued at 140. But, as I say, that year when I sold all these properties I sold at the

Lanza: peak of the market [laughter] but I didn't know I was selling at the peak of the market. I was selling because I wanted to retire. I was disgusted with everything. But it happened and I sold at the peak. Some time afterwards everything went down lower, and of course they came back later.

When these fellows got together one of them said, "Well, look Boss." (They used to call me "Boss" as a sort of a nickname.) "You say that we're all darned nice fellows, and we believe it because you say so. But we don't know each other. Now if you stay, keep a little interest, if you stay in and keep us together, we're ready to go. But unless you get in, we don't know whether we want to go in." And I thought it sounded all right. So I said, "All right, I'll keep 20 per cent of mine. You boys can have the 80 per cent."

And that was a mistake as it developed. You can't watch a car when you're driving on the highway 80 per cent of the time and go to sleep on the other 20 per cent. You'll run off the road, get into trouble. That was a mistake, because conditions, as I say, started to go down. I had to take back some of these fellows that came in. And that's how I got into the business again and had to keep this plant going. I had vineyards and I planted more vineyards.

Teiser: This was in the later 'forties?

Lanza: Oh, yes. That was about '46 or '47.

Bacci.: The organization of this new group came about in '46.

Lanza: '46 or '47. And also when we formed this new company, because of the value of the vineyards that would have increased the purchase price so high, the fellows said, "We can't afford to take the vineyards. We'll just take the plant and the inventories." So I retained the vineyards. Later, around '50, I submitted to the fellows, I said, "Look, I don't want to have the responsibility of the vineyards. You either take them or I'm going to dispose of them to other people. If you take them, I'll take stock." Well, they met and they talked among themselves and they came to the conclusion they couldn't afford either one or the other. So I went and tried to sell them, or rather offered it to my employees. I had 2,300 acres of vineyards around the plant at Delano. They boys met and they

Lanza: agreed, all those that were working for me, they agreed this fellow is going to take this piece, this fellow the other. While we're negotiating, on comes Mr. [W.B.] Camp of Bakersfield and one of his associates, Jeppi. And they offered to buy some of the vineyards. Well, we finally agreed to let them have--they bought 1,600 acres. The other 700 acres were divided among some of my employees. They were to have, and they did get, the vineyards without one cent down. All that I requested of them was, I wanted to know if they could afford to bring the crop in with their own labor and money and without wages.

Bacci.: These are the employees you're talking about.

Lanza: The employees. But they all made good and some still own their land. I remember one of the boys who was sort of a vineyard superintendent, and a friend of his who was assistant superintendent; they took 240 acres at \$400 an acre, and they still own it. And they own other vineyards that they got from profits made out of that 240 acres. But that 240 acres is probably worth \$300,000 now, at least \$1,500 an acre. And I was very glad.

But it just went to show that I wanted to get out. I just wanted to get out, retire. When I sold those vineyards and then this winery had no vineyards it began to see trouble. They needed more capital and they needed to pay the going price, not the cost of production. So I, having taken over the interests of some of the original fellows who backed out, I again began to buy land and plant vineyards. I planted 1,200 acres and got again into the business, although I've been inactive--I've been interested financially but not...

Teiser: This was in the 'fifties that you then planted more acreage again, is that right?

Lanza: Yes. After selling not only that, but after I sold to Mr. Camp and Jeppi, there was one year where we bought the crop and we almost, almost paid them for that crop what they paid for the purchase price of the 1,600 acres [laughter]. It just shows the ups and downs of the food business.

GRAPE VARIETIES AND REGIONS

Teiser: I have read that throughout all this period, perhaps from the 'thirties right through the 'fifties, you were planting unusual grape varieties, varieties that you had brought from Italy. Is that correct?

Lanza: Some.

Bacci.: You must have seen my [memorandum] pad. [Laughter]

Lanza: Yes. To start with--in the past the growing of grapes throughout the state followed the customs and beliefs of the various people that grew grapes. That is to say, the fellows of Spanish extraction favored the Spanish type of grapes to make the Spanish wine. The Germans, the German type of grapes to make their white wine. The Italians, the Italian type of grapes that made the chianti, you know, like Asti. And so on with, you know, with the various nationalities. The Armenians, their type of grapes, like the raisins and so on. All right.

Bacci.: Thompsons, and Muscats.

Lanza: Now grapes in those days when we had no refrigeration cars to ship back East (you couldn't ship grapes here and expect to get grapes back East), they were more or less a local commodity. You couldn't ship them anywhere, so that the fellows were growing grapes and building little wineries as they did in the old country. The man that had, say, 50 or 100 acres of grapes, he didn't expect to sell it out in the market, so he built a little winery, and his little winery was probably only 10,000 gallons capacity, just enough for his crop. And so on, all along the state. And the result of that, in the process of evolution, as it was, in the South they began to make the port type, the sherry type of wine. The Italian Vineyard the usual table wines. (And by the way before we get through I want to tell you the start of the Italian Vineyard because it would be interesting.) The Germans, say, in Napa County, would have white wines; the Italians at Asti would have red wines, with all little wineries.

The wine business finally developed some leaders in distribution beyond the confines of California.

Lanza: Like Mr. [Claus] Schilling, like Mr. [P.C.] Rossi of the Italian Swiss vineyards, and like [Secondo] Guasti of the Italian Vineyard. And these fellows, besides sending to market wines of their own production, they would go around and buy these small lots of wines, 10,000 or 15,000, 20,000 [gallons], and bring them to a central point where they do blending and sell from there. Like Mr. Schilling, for instance, he had a vineyard and a winery at Evergreen. That's on the hillsides of San Jose, as I recall.

But he opened a plant here in San Francisco and he would go around in the various sections of wine production and buy every year whatever he needed. And I recall his telling me that he always waited till the market was opened by his competitors, like Mr. Rossi, [Charles] Bundschu, Lachman & Jacobi and so on, and then he would go out and offer two cents higher. But he never bought all the wines that the producer had on hand. He simply tasted and took the cream. Do you see why he was paying two cents higher? He said to me, "I would pay two cents higher, but when I would sell my wine I'd get 10 cents higher than my competitor." And because he would pay that two cents higher, they always waited for him to come around before they would sell. That's why he had the opportunity of letting his competitors go and establish the market, that is offer, say, eight cents a gallon, but he would pay 10 cents, only take the cream, and then his competitors would buy the balance at eight cents. That was his theory.

Well, as I say, the development of wine making followed the customs and the habits and the likes and dislikes of the people that made them, of the grape growers. Now, at that time we didn't have the idea that the only place you could grow and make good wine would be, say, the Napa Valley or the northern coast. That is a matter that was developed by the following generation of wine people because good wine men did not live in the hot Fresno [area], do you see? They lived in the cool city near the coast, and there is where they would develop their vineyards and their plants. The notion, though, in the last 30 or 40 years has been that you could grow grapes only, and make good wine, only in the coast counties. But that is a theory that I never adhered to. I didn't believe that. This condition of the section was further aggravated by the professors of the Department of Agriculture at

Lanza: Davis, all of whom were novices, in the wine business, because they were young men that came into the wine business really after the repeal of the Volstead Act.

During the Prohibition period there was no incentive for young men to go into that business. But after Repeal there was an influx of young men going to Davis, and they began to teach and to announce their opinions, based on what they learned from books or observations; if they went to Europe where did they go? To France, to Germany, to some parts of Italy or to Spain, and learn some of the wine ideas from them. And they came here and they began to speak of methods of wine making and types of wine making that were being made in France, and in Germany and in what not. And they spread this belief that the only place to grow grapes was in Napa Valley, and to make the best wines was Napa Valley and near the coast. That I did not sort of agree [with] in my own reasoning, because I had learned from study, as reading and my own observation, what goes to make a successful vineyard and the best quality.

First is the climate condition. You can't grow grapes in the North Pole. You can't grow grapes in the Amazon. Second is the variety of grapes. You can't make, say, a nice Riesling from Concord grapes. You've got to have the type. Third, it is the soil, and fourth, it is the cultural attention. Well, with regard to the soil, I'll explain it this way. I don't know if I've stated this already. One time a number of us farmers were in Sacramento. They were holding a meeting where the Department of Agriculture wanted some appropriations made by the state to increase the facilities, say, at Davis. So on the day of the convention the head of the department made a welcome speech, and he made a statement that pleased me immensely. I had never heard it before, but I agreed 100 per cent, and it was this. He said, "In this state we have lands that are below the level of the sea. We have lands that are two miles above the level of the sea. We've got lands where it never rains. We have lands where it's always raining. We have lands where they never see the sun. We have lands where they always have the sun. We have lands where it never snows. We have lands that are always covered with snow. And we have lands in between those extremes."

He was talking about the problems of the state when he was making that statement, but to me it meant

Lanza: something else, do you see. We have all kinds of lands so that we have lands of the type they have in France, we have lands of the type they have in Germany, we have climate conditions, you see what I mean? And from that I was of the conviction that you could grow anything, anywhere, but only what's appropriate with that soil, that climate. And so far as the cultural practices, give our young men two years' study and they'll be just as good as the best German or the best Italian or best French grower, you know, the farmer, that they have. And also that our mean climate is better than that of France or Germany.

One time I had in mind that I wanted to buy some land near the coast, and I thought that is probably as favorable as the land of France or Italy that is surrounded by water, you know. And I heard of Paderewski's vineyard near Paso Robles where he had planted 640 acres. Frost came one spring, killed his vineyard and he abandoned it. And I thought, well, that's a good district to have a vineyard. And I went to the University and I talked to one of the gentlemen that was at the head at that time. He said, "You're wrong about that district. That's no place to grow grapes." And he tells me about the frost killing. Here's the man at the head of the department. He knows more about vineyards than I do. He's lived here longer than I have, and I sort of believed it. That gentleman today is at the head of a vineyard of about 4,000 acres not far from Paso Robles. Do you get it? [Laughter]

So that, as I say, I was of the opinion that we could grow anything, anywhere. Hence when I started planting, I began to plant there in Delano, which is regarded as one of the hot districts of the state, San Joaquin [Valley]. And I planted *Sémillon* and *Chenin blanc* and *Ugni blanc* and so forth--all types of what I regarded as high-class grapes. And have done it successfully since. Since then there have been a lot of other fellows that gradually have come to the conclusion...

Teiser: Gallo?

Lanza: Exactly. And others. You'd be surprised how many others are after quality...

Teiser: They used to say that high quality grapes couldn't be grown in the Central Valley because they had to be

Teiser: irrigated, while they didn't have to be in the coastal valleys.

Lanza: Well, irrigation, I tell you, is a necessity in any part of the state.

Bacci.: But it's not practiced everywhere.

Lanza: Absolutely, because when nature doesn't supply what you need you've got to supplement it. That is absolutely a necessity.

Teiser: Did you bring varieties with you to Delano?

Lanza: I brought three varieties. First I selected some of the best varieties that we had at St. Helena and Ukiah, where you see I had had vineyards and I also knew many of the growers that I could procure stuff from. And in addition to that I brought three varieties that I used to hear my father and my brother speak about, when I was a little fellow there at home, as being of excellent quality. And I brought those. And I brought several thousand of each variety, and to my surprise now, I created a condition that made the Department of Agriculture change their methods of importing cuttings. By that I mean when I brought in, oh, 40 to 50,000 cuttings, it seems to me, I had no problem. But shortly after that the Department of Agriculture would not permit any to come without their first inspecting them at the border, you know, and it's troublesome now to get any.

Teiser: What were the three varieties you brought?

Lanza: One was Catarratto, and that's a white wine of the type of, like Semillon or the German Riesling. One was Inzolia. It used to make good Marsala wine; that's a type of sweet sherry. And Trebbiano, now known as Ugni blanc.

Teiser: That's a white?

Lanza: Yes.

Teiser: Well, I will not keep you talking longer today.

Bacci.: I just want to make a memo of this. He wanted to tell you about the start of the Italian Vineyard Company.

Lanza: Oh, yes.

Bacci.: And in connection with that I think he ought to get in there somehow one little anecdote that should explain the great satisfaction he later had in acquiring the Italian Vineyard Company that came from his first visit to the Italian Vineyard Company when he was so royally treated. [Laughter] Remember?

Lanza: Yes. [Laughter] You want that today, now?

Teiser: I'll ask you to start with it next time.

Lanza: Okay, fine. And some of the philosophy of Mr. Schilling would be of interest.

Teiser: Yes, very much.

(Interview with Horace O. Lanza, Piedmont,
California, February 11, 1969)

I.V.C. AND SECONDO GUASTI

Teiser: When we were talking last time, you said that you would start with what your buying the Italian Vineyard Company had to do with an earlier experience you had with the Italian Vineyard Company.

Lanza: Oh, Harry called my attention to that. [Laughter] Well, that was the first time that I came to California, and that means about 1916, in November. My brother lived in Los Angeles, so I thought while I was here I would see some of the wine people and see if I could buy some of the wines to make it worthwhile. He suggested that we go and see the Italian Vineyard, which was only about 40 miles or less from Los Angeles.

So we went to--Guasti was the name of the place, the station. It is practically where Cucamonga is located now. When I got there I asked to see some wines, if they had any for sale. They showed me some. The gentleman who was in charge of the selling end of it, as I supposed, he was secretary of the company, of the Italian Vineyard Company.* And I recognized him at once because two or three years before he had been in Buffalo and was a guest of the Italian consul there. I used to be attorney for the Italian consulate, so he invited me to lunch and I met this secretary of the vineyard company. I reminded him of it; yes, he remembered now, he recalled. I mention this to show the effect the following experience had on me.

When I got through tasting some of the wine it was close to 12 o'clock, so I asked him to give me a quotation on a substantial quantity and asked leave to go, to leave. He said, "No! Wait. Stay here and have lunch, and I will talk to Mr. Guasti," who was then living and he was there.

Teiser: Was that Secondo Guasti senior or junior?

*James A. Barlotti. See p. 39.

Lanza: Senior. And he said, "We will have the price so you'll know before you leave." Well, that was agreeable. I wasn't concerned about staying for lunch at all; that meant nothing to me. But if I could get the information that I wanted, you see, then there, I agreed to stay.

Then he took me to a building that was a sort of a--well, it looked like--I should describe it as a barn. And that was the dining room for all of their hired help. And I was left there and asked to sit down. There was a long table for the help there. Right across from me there was a colored laborer. Right next to me there was an Indian. And I don't remember who else. And I sort of felt, you know, a little bit piqued here. This fellow knew that I was not an ordinary saloon keeper back East because he had had lunch with me in the Italian consulate. He asked me to stay for lunch. I didn't want to stay there for lunch. My brother was ready to take me and return to Los Angeles. And then being left like that while they went to have lunch elsewhere, you know, I presume in the ranch house--I felt a little bit, you know, piqued about it. They gave me their quotation and I left.

Next day or two days later, I came to San Francisco and I went to see the California Wine Association. Mr. Morrow was then manager of the California Wine Association. And Federspiel was then his assistant. Federspiel had been manager earlier of the Italian Swiss Colony, but he was Mr. Morrow's assistant. I asked to see wines. They had some samples brought up there. When the samples arrived, Mr. Federspiel said, "Well, it's lunch time. Let's go and have lunch. By the time we get through with lunch there'll be more samples here." And he took me to a nice restaurant and he was very courteous. And that made an impression with me. Here's a man that didn't know me at all. And yet he was a good enough businessman to be courteous and take me out to lunch. There the other fellow knew [laughter] that I wasn't an ordinary saloon keeper or what not. It made an impression upon me.

Twenty-five years later, it must have been about 25 years later, or maybe it was 26 years later, I owned the Italian Vineyard Company. [Laughter] And this fellow had sold his interest and he expected to be treated, you know, much better than anybody else. But

Lanza: he was not treated any better than anybody else.
[Laughter]

And that was the irony of it--what Harry meant, you see. The impression he made upon me as a poor businessman in the beginning. And I remember the old gentleman Guasti, and he was not so old--he was very neatly dressed so he didn't look like a man that paid much attention to farming, but wore gloves. He wore gloves. Well, he himself--the story that was told to me by some of the fellows that knew him, was this.

He was a cook in a restaurant in Mexico City, in some city there in Mexico. When they had one of their usual revolutions, he was afraid for his own life and he left Mexico and went to Los Angeles. There in Los Angeles he started as a cook in the rear of a saloon, where they had the saloon in front and a sort of a restaurant in the back part. Then he married a daughter of the saloon keeper, and then it occurred to him, why not make some wine that he could use in regard to his restaurant? And he started to make a little wine for use in that back part of the saloon. And he started to become interested in the wine business. In 1891 he and a few other Italians started the Italian Vineyard Company, and they incorporated with a capital of \$50,000. And they set out to buy some land and plant vineyards. And this fellow that I said was their secretary...

Teiser: What was his name?

Lanza: James--I can't think of his last name just now, but his first name was James.

Teiser: Barlotti?

Lanza: Yes. The question was where they should plant their vineyards, and they finally located two spots. One is where is now the swell part of Los Angeles near Santa Monica, just this side of Santa Monica. What's the name of that section where a lot of the actors and actresses have homes? Bel Air! Where Bel Air is now. And they finally decided on 5,000 acres there at Ontario, because at Bel Air there would be a fog some of the time and they felt that the fog was bad for the vineyards. But the price was very, very attractive. You can imagine; their whole capital was \$50,000, so if they could have bought the 5,000 acres there and

Lanza: build, they could have bought it I imagine very cheap. But they bought the 5,000 acres at \$5 an acre there at Ontario, and they decided on that because, as I say, there was no fear of fog there.

Well, they went on and they became quite successful. In those days the wine business wasn't as well established or understood here. It was just a local affair. They had started the Italian Swiss Colony up north, you see, so they started the Italian Vineyard Company down south. And they started to make wine. The son of Secondo Guasti, the junior, whom I came to know very well later in his life, told me this about his father: that he would hire a man (they knew how to make the table wines but they didn't know how to make sweet wines), he would hire a man to learn how this man was making port or sherry; then they'd get rid of him and go on and learn the wine business in that fashion.

In the '90's the best market in the country was New Orleans, not New York; New Orleans because there were the type of people there that used table wine. New York wasn't known so well for the wine business in those days, because most of the immigrants, you know, would sort of drink the wines from their part of the country, which they imported very cheap. So that's how the Italian Vineyard began to grow and make money. Then when Prohibition came on they made considerable money. And Guasti lived very well. He became very wealthy because he had bought a lot of land, a lot of property.

I was invited at their house one time long before I bought their vineyard; but in the course of the business we had met here with regard to industry matters. And we were forming at that time a company called the Fruit Industries that I told you about the other day. Well, Guasti, young Guasti, was the president of that new combination, and at one time there was a meeting in Los Angeles and he invited all of us on the board of directors to his house. It was an elegant house, very well furnished, and I remember in the yard at the rear of the house there were a lot of statuary and more like an Italian villa.

At that dinner, for the first time in my life and the only time in my life, because I never had a similar opportunity, I sat at a table where they had

Lanza: gold service. And I had never seen gold service, you know. And they had some of the service solid gold, some was part gold and part silver, and some was solid silver. So every place had these three types, and I didn't know when you should use the gold or when you should use the part gold and part silver, nor when to use the whole silver. But Secondo Guasti sat next to me, and we were engaged in conversation. I would always wait for him to pick the fork or the knife or what not. But he, a typical refined gentleman, would wait for me. So I was forced to take; sure enough, whatever I took was wrong, because he afterwards [laughter] took the other, and so on for the part silver and gold and so on for the solid gold. I never forgot the embarrassment that I was in. It was just a matter of curiosity with me because I saw no difference between that type of service and the ordinary one, you know--nickel, that I was used to.

Teiser: Was Mr. Walter E. Taylor involved in the Fruit Industries?

Lanza: Yes, he was involved in the industry. He was the secretary of the Fruit Industries. And he represented what was part of the old California Wine Association. He represented some winery in Lodi. But he was on the side of Garrett and Guasti, who had the control of the Fruit Industries. And he was the manager practically. He was a very capable fellow, but he was an unusually selfish and cold-blooded fellow, I thought. Anyway he was always on the opposite side of the fence from me.

CENTRAL CALIFORNIA WINERIES, INC. AND THE PRORATE

Some time later when we disbanded from the Fruit Industries there was a meeting held in San Francisco where a lot of members of the various wineries attended. And Mr. Calvin Russell, a lawyer of a large city near Delano [Tulare], this lawyer at the end of the meeting said, "Fellows, it behooves all of us to give it some thought because we're in a heck of a lot of trouble if we don't find some way to make the business profitable." Well, I was impressed with that remark and I thought that the problem could be solved if the different wineries would become part of a new group but still retain the majority of stock in their company.

Lanza: That is to say, if there were ten members they could form a combination and turn over 49 per cent of their interest, so they are members and yet they have the independent control of themselves. And I suggested also that the banks should back a movement of that kind, so as to give us a boost, a start.

Teiser: Was this during the Depression?

Lanza: Yes, this was during the Depression. Some time in the '30's I wrote Russell and he turned this letter over to the Bank of America and they were agreeable. They thought that was a good way to help the industry. Well, the bank agreed to put up some money and all of the various members, oh, 30 or 40 wineries, would become members. In steps the government, and says that combination was a sort of a trust contrary to law, and they threatened to indict everybody. The fellows who came to examine the records of every winery--I mean the fellows from the government--went through the files of every winery and they came across that letter of mine which started the whole matter. And I remember when the government agents came to our office, three of four of them said to me, "We have gone through the books of the Taylor organization, and we have gone through the books of Di Giorgio. If Di Giorgio knew some of the letters that Taylor wrote about him, and if Taylor knew some of the letters that Di Giorgio wrote about him, they would cut each others' throat in no time." [Laughter]

Well, anyway, they summoned all these wineries to appear before the Grand Jury, and they summoned everybody but me! And I thought it was strange, because here it was my plan, in black and white, in that letter that started the whole business. And yet they called everybody but me. And I remember they named a partner of mine but not me.

Teiser: Who was he?

Lanza: Mr. Repetto, who was then in charge of our New York office. He was summoned. And they had a meeting in some hall there in the City and I attended, and I heard a lot of lawyers representing various wineries making speeches that the government couldn't do this or couldn't do that and what not. And there was one fellow that represented Cella from Fresno (I won't mention his name because he's still among us), and I

- Lanza: thought, having been a lawyer myself, that I could judge a lawyer. And I thought here's a fellow full of hot air, the cheapest type of a lawyer. He made that impression upon me. And then another fellow got up, a middle-aged young man. I thought: there is a lawyer, there is a legal mind. This fellow that I picked out--I didn't know either one, you see--I picked out as the legal mind, that was Phleger, who later I think was asked to go to Washington as attorney for Eisenhower. Do you see? The other fellow is still a spellbinder, a fellow that thinks he is a lawyer, makes a lot of noise in criminal cases and things like that. And to me it sort of left an impression that my judgement was still good about lawyers. [Laughter] Well, that's neither here nor there, but I say it comes to me and there it is.
- Teiser: What was the upshot of the government action then?
- Lanza: Somehow they quashed it. It didn't go any further. But the bank and everybody, you know, discontinued the operation. Nobody was really indicted. They had all been subpoenaed to appear before the Grand Jury, but somebody had the influence to settle it out, you know, by disbanding the group.
- Teiser: The group had actually been formed, though?
- Lanza: Yes.
- Teiser: Was that the group that was formed for the prorate?
- Lanza: No, that was another group. This was called Central California Wineries, Inc. It didn't go very far. It was in the formative stage. But it was because of the bank getting into it--that they were after the bank more than they were after the wineries. But the thing was quashed after that meeting.
- Teiser: You told me that you were against the prorate.
- Lanza: Yes. The first time that--they have proposed the prorate two or three times, you know. The first time when I was opposed to it, I was the leader of the opposition. In those days it seems to me we were divided, that the people from the Central Valley wanted certain restrictions enforced, while those of us from what we call the Coast Counties didn't want. So I was the leader of the gang of the Coast Counties. Setrakian

- Lanza: was of the south; Setrakian and others, I don't remember, fellows from the Central Valley.
- Teiser: And they wanted the prorate?
- Lanza: Yes. They were the ones that wanted the prorate.
- Teiser: Why did you feel it wasn't advisable?
- Lanza: I don't remember. But the question was, you see, up in the Coast Counties they were strictly vineyards for wine making, whereas in the Central Valley they had table grapes, they had raisins, they had certain rights and privileges that we didn't have, because of the location and the type of grapes grown. That was the upshot, as I recall. But exactly what it was...
- Teiser: Finally when it went through in '38 I think Mr. Taylor and Mr. [Burke] Critchfield put it together, didn't they, for the Bank of America?
- Lanza: If there was anything the bank was interested in, those two would be the ones to do it.

JOSEPH DI GIORGIO

- Teiser: You mentioned that you had known Mr. Di Giorgio well and then fell out with him. What sort of man was he?
- Lanza: A very capable man. He was just a born businessman. He came here when he was about 14 years of age and he went to work.
- Teiser: Was he, like you, from Sicily?
- Lanza: Yes. He was from Cefalu, which is about 20 miles north from where I lived. And as a young man when he landed in New York he went to work for a commission house--vegetables and fruit and whatnot. And he soon learned the business of the commission merchant. And when he was a young man he moved to Baltimore. In those days we didn't have any refrigerated vessels, you know, to bring fruit from South America, principally bananas. Consequently the bananas were brought from Central America, different parts of Central America, and that island there southwest of Cuba--Jamaica. And it would

Lanza: come to the nearest port to Central America to unload, and ship the bananas in freight cars, which would travel faster. And New Orleans and Baltimore were the two principal ports of entry for bananas, although they would receive some in New York or Boston. But the idea was that the fruit would be unloaded, better, do you see, and shipped right away in freight cars.

When he was a young man about 20 he formed an importing banana company called the Atlantic Fruit Company, and he got a number of small merchants from various cities, say, Cleveland, Detroit, Buffalo, Chicago, to join him, but he would be at the point of entry and distribute the bananas from there.

From that he went then to Central America, different parts, Jamaica principally, and became acquainted with fellows that were exporting fruit. He grew, and he developed to be quite a substantial man in the industry. Finally they bought him out. They bought him out because they wanted to get his outfit, you know, away from competition. And they bought him out on condition that he should not engage in the importation of bananas any more. He sold to what was then United Fruit Company.

I remember his telling me, he said, "When a fellow came in my office with a silk hat and a cane and wanted to know if there was any stock for sale in my company, I knew that it was my competitor." So he said, "He made me an offer." He said, "Our stock" (that he and his friends had put in) "wasn't worth a nickel." He said, "When they offered me 100 cents on the dollar for the stock, and they would retain me as manager of that branch at \$10,000 a year, there was nothing else that I could do." He sold and accepted, on that condition. But he put in a clause in there that if they ever felt like selling that branch, that unit, he should have the first privilege of buying it back. And it was at that time when he made that deal that he came to California. And of course his customers in the banana business were fruit merchants, so the California fruit, like the oranges, the lemons, were in his back yard, as it were. And he got started here and went through a lot of troubles. I remember his telling me about it. And he was quite successful. He told me, he said when he came to California he didn't have a dollar, and he said to me, "When I say I didn't have a dollar, I mean I didn't have a dollar."

Teiser: Why not if he had been bought out so generously?

Lanza: Well, that was either before or later than this, but when he came here, and he told me there was a gentleman from Pittsburgh, a commission merchant but a wealthy commission merchant from Pittsburgh--I can't think of his name but I have it at the tip of my tongue...a Mr. Crutchfield. He went around to see different shippers and organizations of shippers, and he made an agreement to buy the Earl Fruit Company. And he went back. When he made the deal to buy the Earl Fruit Company, it still was the time when he didn't have any money.

He went back to New York and went to the Erie Railroad and said to them, "If you will build an auction house on your wharf in New York City there, in Manhattan, where I can bring fruit from California and sell it at auction in this terminal, I'll agree to give you 800 cars of business," which apparently represented a tremendous income. And the Erie Railroad agreed. But he wanted \$25,000 down from them to get ready, blah blah. He took that \$25,000 and began to make payments on the deals he had made here. And he made good. He was a very, very good businessman.

Teiser: He must have been. Let me just turn this tape over. Your family then did know the Di Giorgio family?

Lanza: Oh yes.

Teiser: You said you met him when you were 18 and he 26.

Lanza: That's right.

Teiser: And what was he doing then?

Lanza: He was in the fruit business, had come to Buffalo and was going to Toronto where he had a connection of some kind, and he asked me to go along with him. So we became very friendly. And afterwards even when developments became rather personal, we were very good friends, very good friends. He thought the world of me. And I did of him too.

Teiser: When did he then get into the grape and wine business?

Lanza: He got into the grape business with the table grape, in connection with his fruit business. Then when he

Lanza: acquired the Earl Fruit Company, that was one of the leading shipping concerns in the state, of fruit, and he was as good a businessman in that line of business as there was in the country, I believe, and became rather influential. Then he had vineyards; he rented vineyards. He came to the conclusion that he should have an interest in a winery so that if he had any fruit that could not be sent to market it would be salvaged. And I may have had something to do with that line of thinking.

Teiser: Suggested it to him perhaps?

Lanza: Yes, because for a long time he would send his fruit, if he had any, to wineries in which I was interested. But after a while his volume became so large that he began to build a winery of his own. And that's how he got into the wine business.

Teiser: I see. So it was more or less as a by-product?

Lanza: Oh, yes. It was a by-product. But he was at one time interested in the Italian Swiss Colony. He was a fellow that would sell you a lot of grapes if you cared to buy them and he was willing to let you have them, and extend any amount of credit, because he went by--his credit was on the human side of the fellow he was dealing with, not his financial standing. In other words, he had been a businessman when he didn't have dollars himself and he realized that there were other men that were good businessmen without having the dollars. So he would extend credit on a large scale. As I understand it he had extended credit to the Italian Swiss Colony to a substantial figure, and then somehow or other they made a deal where he bought an interest, to liquidate what he had coming. That was some time ago, I don't remember when.

Teiser: Did he come to be interested in wines for themselves or were they always an additional product?

Lanza: No, it was sort of a by-product for him. He was not interested in wine. By the way, he didn't drink. He never drank. That's why I say he was an exceptional, good businessman.

Teiser: You said that you and he fell out later. Do you want to speak of that or not?

Lanza: Well, I had rather not. I'd rather think and feel that everything was as fine as it always was and it was an unfortunate thing, because when you fall out in any friendly friendship relation, there must be a reason for it, either through your own fault or through the other fellow's fault or through an unfortunate mistake on one side or the other. And it doesn't do anybody any good to reminisce about it.

Teiser: As I understand he was a very small man physically?

Lanza: No, oh no.

Teiser: How tall was he?

Lanza: Oh, he--I am five-four and he must have been, say, five-eight. He was one of four brothers.

Teiser: What were their names?

Lanza: One was Vincent. Vincent was the father of Joseph Di Giorgio, the one that's still living. Sal, Samuel or Salvator, was the father of the present Di Giorgio, you know, who is the head of the Di Giorgio interests now. And the third--I know him very well; I can't think of his name now.

Teiser: But they were all in the United States?

Lanza: Oh yes. The third was the father of Sal Di Giorgio, the young Sal Di Giorgio. And there's quite a number of the Di Giorgio family now, of the younger generation.

Teiser: Did you know the older members of the Italian Swiss Colony group?

Lanza: No, except the Rossi boys. I didn't know the father, but I did know both of the Rossi boys quite well. One of them [Robert D.] has gone; there's one left. [Edmund A.] He is younger than I am. Sbarboro, of course, I met.

Teiser: What did he look like? I've always wondered about that.

Lanza: [Alfred E.] Sbarboro is light complexioned. He must be around 90 now. His father had a grocery store, the old gentleman [Andrea E.] Sbarboro. Then he started a little banking business, and finally it became the Italian-American Bank. And he inherited then from his

Lanza: father the Italian-American Bank. Then they sold about 1930, maybe a little later, to the Bank of America, and he went with the Bank of America.

CLAUS SCHILLING

Teiser: Earlier you said you would tell something of the philosophy of Mr. Schilling.

Lanza: Mr. Schilling I think was a very fine businessman.

Teiser: What was his first name?

Lanza: Claus Schilling. And in his relationship, social relationship and in his business, he was highly dignified and serious minded but a gentleman. A typical German of the higher class. He was the son of a sea captain, and his grandfather on his mother's side was also a sea captain, with their home port Bremen, Germany. Mr. Schilling, Claus Schilling, when he was a young man, wanted to carry on the family tradition, to get into the marine business. But his father would not let him, and his grandfather would not let him. That is, that they advised against it, and to spite them he left home and came to the United States when he was about 20.

One of the principal reasons why his father opposed it was because the method of marine business was changing. In his earlier days it was customary for a German ship to load with goods in Germany and go to England, sell the German goods in England and load with English goods, sail to South America, sell the English goods and load with South American goods, go to the Orient, there sell the South American goods and go back to the port where they started from. That ordinarily took one year. So the captain, who attended to all these transactions, at the end of the year would go to the home office and make his report.

Among other things, as part of the compensation, the captain was allowed the cost of a uniform, whether he bought it or not. In the later years, about the time when young Mr. Schilling wanted to go into the navy and his father wouldn't consent to it, Mr. Schilling's father went to the home office in Bremen. There was a new young bookkeeper in charge of his matters. And when

Lanza: he got through with the accounts this young man asked Schilling, "Schilling, did you really buy a suit of clothes, a uniform?" He says, "No." "Well then, you shouldn't charge it." He says, "Why not? I've always done that for these many years." "Well," he said, "that's only when you buy it, but when you don't buy it you shouldn't charge it." "Well," he said, "then all right, all right. Take it off."

He went on the next trip and that was his last trip. It took him two years instead of one year on this trip. When he came back he went to the head office there in Bremen and the same head bookkeeper met him, went over his books and he said, "Schilling, I notice you didn't charge for a uniform." He says, "No." "Well, that means you didn't buy any." He says, "No, I didn't." He said, "Well, that's the way it should be done." "Oh, no," he says. "The two uniforms are there, all right, but only you can't see them." [Laughter] Do you get it? So with him he was through with the marine business; he wouldn't consent that his son should go into business where there were bookkeepers of that kind.

When he came here he went to work on the docks in New Orleans, and then there was much talk about gold in California, the gold mines. So he came to California in '69 and he got a job in one of the wineries.* The building still stands in Napa County right by the old station, the first station beyond Napa proper. I forgot the name of the place. It's near where there's an old soldier's home. Yountville. There's a torn down building, you'll notice, a great building there near the station. That was the winery he went to work for. And that's the way he got into the wine business. But he was the typical thorough German businessman. Everything had to be just so.

And for quality. But he'd make his profit on quality that would be better than on volume, no matter what. And among other things he had developed apparently a keen sense of taste and odor. I never saw a man that could taste and judge the quality of wine the way he did. He told me once that he wouldn't hire a salesman unless his salesman could taste and recognize his own wines. And because a man is not supposed to be perfect

*The Groezinger Winery.

Lanza: he would set the trial, he'd let the applicant taste wines in his office, and he would tell him what the wines were. Then he would take him across the street where there was a saloon that had his wines and other wines. And he'd say to the applicant, "Now I'm going to ask this gentleman to serve us some wine, and you taste them all. If you find any that you think are like mine that I've shown you, okay; if they're not, just say they're not mine." He said, "If they got three out of five correct, I'd hire them." But unless they came three out of five he wouldn't hire them.

And so thorough! If anybody wanted a sample of his wine he'd never send it to them. That is, by mail or by delivery. He would send it with one of his men. And the man could taste the wines and judge them. When he got through he would take the sample back. The reason was that if a man tasted his wine and then put it on his desk and [would] say, "I'll let you know tomorrow or the next day," and the sample bottle is partially full, the second or the third or fourth day another salesman comes in with samples of his wine, and the prospective buyer would taste them and then he wants to see how they compare with Mr. Schilling's, which was opened three-four days before. And the wine wouldn't show the same. You see the thoroughness? Never would leave a sample. Take it back, and if the man asks why then Mr. Schilling's man would explain, which was fair enough.

He told me once that they had a display of wines in the City, and they had committees of wine men to judge these wines. He displayed some white wine and he got the first prize, that is, it was accepted as the best, the first prize. There was also in display a wine made by a gentleman that lived down the Peninsula, some wealthy man, who had just a small private winery of his own for his pleasure. And Mr. Schilling said, "I tasted that wine and it was better than mine. The judges had given the flag for the second prize to this gentleman. So, I took the flag of first prize from my wine and put it on this gentleman's, and took his flag of second prize and put it on mine." So I said, "Why did you do that for?" He said, "Jesus Christ, didn't I show those judges I knew more about wine than they did?" [Laughter] You can see the type of a man he was.

Another time he told me that he used to go to some club here in San Francisco [of] businessmen, and some

Lanza: of the members who were rather well-fixed or wealthy would order wines from him. One time one of these gentlemen stopped and said, "Schilling, that last batch of wine you sold me is terrible." Mr. Schilling asked, "Why?" He says, "Well, I just can't drink it. It's not the same that you have sent me before." "Well, something must have happened. Why didn't you say so before? Now I'll send my man to pick it up right away." He said, "Well, I wish you would, Schilling. And send me in its place some other wine, but send me some good wine as you did before." He said, "Certainly. Why didn't you say so before?"

He said, "I got my truckman to go and pick them up, and I told him after he picked them up to go round the block a few times and then go back and deliver them as the new lot." So the fellow did that. A short time afterwards he met this gentleman at the club again. He says, "Schilling, oh, that's fine wine." [Laughter] "That's fine wine! And I wish you would always send me the same." He says, "Why, of course. Any time that you receive wine that isn't right, you just let me know." [Laughter]

Teiser: He was sure of his wine.

Lanza: Sure of his wine and nobody could tell him they weren't the right wine.

Teiser: Did he have vineyards as well, or just buy wine?

Lanza: He had a small vineyard, which of course in those days was a substantial vineyard, at Evergreen near San Jose.* But he would go out in the country and buy from various small wineries, and he knew from experience who made good wines and who didn't. And he would always pay two cents higher, he told me, than the going price. But he would take just the cream and then he would sell it for ten cents higher, and he was very successful.

Teiser: Where were his headquarters? In San Francisco?

Lanza: In San Francisco, corner of 20th and Minnesota Streets, near the Union Iron Works. Later it became the California Wine Association plant. They took over his

*The Villa Vista Vineyard.

Lanza: business. And he was a very fair fellow full of the Dickens, you know, in turn. He told me one time he used to buy wines from a German at Cordelia, named Mangels who owned a winery of the same name. One year he went to him; he said, "I knew that the price of wine was going to go up, so I thought I'd have some fun with Mangels." His name was Claus also, Claus Mangels. So when he went and saw the wines, they came down to the price, he said, "All right, Mangels. Now these past years I have always told you what I would pay you. This year I'm going to let you fix the price." "Well," he says, "you know, last year you paid me eight cents a gallon. I think I ought to get eight cents a gallon again this year." "All right, all right. That's fair enough. If that's what you say, it will be eight cents a gallon."

He got through with him, went up the road and he stopped at another winery owned by a gentleman, a Mr. [John W.] Wheeler [near St. Helena]. He had been commissioner of agriculture for the state or something like that in the Agricultural Department.* And he went through the winery, tasted the wines, and then he said, "I'm going to let you fix your price this year." He says, "What are you paying?" He says, "Well, I'm not going to make any price but I'll tell you, I just left the winery of Mangels and I bought that at eight cents." "Well," he says, "You paid eight cents to Mangels. I want the same." "Okay, okay, if you're satisfied." He said, "I knew the price was too low. So after the market broke, and the price went up two or three cents, I waited to see how they would take it. Mangels was the first to complain. So I said, 'What the hell are you talking about? Didn't I leave it to you to make the price? Are you sore at yourself? Why do you blame me?'"

Well, he went away and he was rather dissatisfied. The following year he went again to Mangels and he said, "Now listen, the price this year is going to be ten cents, but I'm going to pay you 12," to make up to him. He went to Wheeler. Wheeler was going to build a house. And he showed the plans to Mr. Schilling, just a friendly gesture, and Schilling said, "You don't

*He was secretary of the State Board of Viticultural Commissioners and chief executive of the State Viticultural Commission for many years.

Lanza: want to build a cheap house like this. Why don't you build a real house?" Well, no, he couldn't do it. He didn't want to put in much more than so much for it. He said, "All right, what kind of a house do you want to build?" He says, "You're going to Europe, aren't you?" He says, "Yes, I want to go to Europe." He says, "I'll have the house built for you while you're in Europe. You tell me the kind of a house you want and what you want to spend for it." And let us say that the price was \$3,000, whatever it was, \$5,000. Wheeler went to Europe and Mr. Schilling built a real house. It was the house in Napa County there for many, many years. I don't know whether it's still standing or not. And he gave, he paid the extra. Wheeler was going to pay, say, \$6,000, and if the house cost \$10,000 he paid the other \$4,000. In other words, he made up [laughter], but he had the fun though to sort of shame them afterwards that he tricked them into making their own price. He was that type of a gentleman. I thought the world of him.

Teiser: Did he continue during Prohibition?

Lanza: No, because he had sold out before.

COLONIAL GRAPE PRODUCTS AND ITALIAN SWISS COLONY

Lanza: The California Wine Association, as I recall, was formed in 1892.* The bankers in the City financed the formation of the California Wine Association, but each member, like Mr. Schilling, Italian Swiss Colony, Lachman & Jacobi, Bundschu and many others, they formed this California Wine Association. But the money was principally from the bankers. Mr. Schilling finally sold out to the California Wine Association, but he continued to be on the board of directors. Then Prohibition came, and then these bankers got scared that they were in an illegitimate business, see. They wanted to get out, and they wanted to get rid of it, sell it. Well, when I came here some time after they had been doing business, I thought we should buy them out.

*The actual organization date was 1894.

Teiser: "We" at that time was what?

Lanza: Colonial Grape Products Company. It was about the first or second year after we formed the Colonial Grape Products Company. Mr. Schilling said, "Very well, I'll see if they want to sell it and at how much." My partner Federspiel knew that I proposed the purchase of it and he was agreeable. Mr. Schilling saw Mr. [Evan S.] Pillsbury, of the firm of Pillsbury and someone else in the law business,* but he was also at the time I think president of the Pacific Telephone Company. Anyway he was a very wealthy man. And they agreed to sell all their assets on the basis of the wine price only, which meant you would be buying the wine, and with the wine you would get their vineyards and their plants throughout the country gratis. They were so anxious to get out. But it took about three million dollars to buy the wine.

Well, I thought I could raise the money, so I went back and saw my friend Di Giorgio, and he and I talked it over. It would be a good thing to buy, so he said, "I'm going to call up Dantoni," who was at the head of Vaccaro Brothers in New Orleans, and they were importers of bananas and had many interests in Central America. Supposed to be the richest firm south of the Mason-Dixon line. So he phoned Dantoni. He came to New York and we talked about it. Dantoni said, "Why do they want to sell it if it is as good a buy as you say?" And I explained to him that they were principally bankers; they didn't want to be in the business; they were afraid they might get into trouble. "Well," he said, "I'll think it over." In the morning he says, "Gentlemen, a million dollars is too much." They wanted a million down. "This is too much money even for Vaccaro Brothers." He said, "We can't advance it." He had made up his mind that if the bankers of San Francisco are afraid, why should the bankers of New Orleans step in?

So I came back and told Mr. Schilling. I said I thought I could raise the million dollars but I found it's impossible. So Mr. Schilling goes back to Pillsbury and tells what happened. Pillsbury said, "Do the boys object to showing me their statement?"

*Pillsbury, Madison & Sutro.

Lanza: He said, "I don't know." So Mr. Schilling comes and reports to us. I said, "By all means. Let him see the statement."

And he saw the statement. We had put in the Colonial Grape Products Company \$400,000--\$200,000 myself and my associates from back East, \$200,000 Mr. Federspiel and his associates, which meant Mr. Schilling and others. He saw the statement and he saw that we could make a payment of \$50,000 from the liquid assets that we had. So he said, "Will the boys be willing to buy, at the same price, by paying \$50,000, and to retain Mr. Morrow as manager so that when the inventories are liquidated and the monies collected Mr. Morrow is there representing us, and that's got to be applied to us first, not to you." "Fair enough. Okay." So we agreed to purchase it that way.

And I leave to go home. I was living back East then. A day or two later Federspiel came to Buffalo to see me. He got there about seven or eight o'clock in the evening. We had dinner and we sat up (I had a sort of a den on the third floor of my house. It was like a little clubhouse for myself and my friends, a fireplace.). We sat there in front of that fireplace until two o'clock in the morning, and he talked me out of it. "Why do we want to take on this big responsibility? We can make all the wines that you can sell. So why...?"

So I thought, well, he's a Californian. He knows more about the wine business than I do. He got me to back down. Two or three years later the same property was sold to a firm, a beer business of Santa Rosa. They are brothers--Grace Brothers. They bought it. Same terms, same figures, and they made a fortune out of it.

Well, that was one of the things that made me lose confidence in my associates, here the local associates. And it wasn't that alone. It was other deals. Because I was young; that is, I felt I was young. I was traveling. I could feel the pulse of the business throughout the country because I did the traveling myself and had connections. I could see the business was coming. And it was losing one opportunity after the other. Hence when I got that other property where the man gave me \$5,000 to buy him out, I took it alone because I thought to myself, "No more."

Teiser: Ah, now I see the background.

Lanza: Absolutely. That was the reason. No more. Then after I took it alone and began to show progress, then I began to see that there were some private interests, some bankers behind my associate. Do you see?

Teiser: I see. So he was not acting alone?

Lanza: He was not acting alone, and they were the ones that apparently had got him to back down. Well, for me it was a fortunate thing that I went on alone.

(Interview with Horace O. Lanza, Piedmont,
California, February 13, 1969)

GRAPES, BLENDS AND PROCESSES

Teiser: You were going to tell me some interesting things about some stray vines.

Lanza: Oh yes. As I mentioned, in the cuttings that we got from Italy shortly after Repeal, there were three vines that were stray vines, and they came to the attention of the [University of California at] Davis department of agriculture in connection with their visiting this farm and that farm and making suggestions and hearing reports. They observed these three vines. And they called it the Italia Muscat. It's a table grape. Now it's one of the leading table grapes in the San Joaquin Valley. That is to say, there are hundreds of acres of that varietal.

Teiser: This was a variety that you yourself imported?

Lanza: We didn't intend to. We found it among a stray, because the ones I imported were meant to be wine grapes. That's what I had in mind. And that's how that Italia was started in this state.

They tell me also that the grape that is known as Tokay was a stray vine found in the vineyard of Wheeler there at Yountville. They had planted a vineyard there for wine grapes, and here was this vine which was a table varietal, and finally they called it Tokay when somebody suggested it was like the type of grapes grown on the Tokay mountains east of Austria, in Hungary there.

The other one where there was one stray vine was the one of Thompson Seedless. That again I understand was where Mr. Thompson ordered and got some cuttings from a nursery in Rochester, New York, and when they planted it and they found that this variety had no seed, they began to spread it, and it was developed first in Sacramento Valley. Then they planted it further south and they found that it paid better on account of the seasons or maybe the culture, what not. That is one of

Lanza: the principal grapes now that we're growing. It goes to show how the varietals are developed. And they're constantly developing new varietals.

You must remember that the nature of the grape is a wild plant. And it is found as different varietals most all over the temperate zone, as I understand. And from the thousands of varietals somebody develops a certain type that will do for wine making. Like you take the Catawba, which was made famous by Longfellow in the poem that he wrote about the wine made from the Catawba grape; the Concord, which was found in Concord, New Hampshire, gets its name from the locality--it was wild. And some others. And there is no telling how many more varietals there are and how important they will come to be.

In starting out young men that wanted to work with me in my business of grape growing and wine making, I always tried to impress upon the young people to try any varietal, but not with the idea of developing one varietal to make a type of wine that is good in itself, but to make a type of wine that is excellent when blended with a different type of grape. And I called this to their attention. I say, "Now, you know we have a vegetable called garlic. I don't know of anybody that I've ever met who said that he ate garlic straight, direct. But I do know that if you take a piece of garlic and just rub the bowl before you make a salad, rub the bowl and throw that piece away, that rubbing leaves enough flavor that makes the salad delicious. And people say, 'What did you put in this?'" And I mention that as an illustration of what you can do. And I always wanted a report of anything that was unusual in our vineyards.

I remember of an occasion when one year there at Delano the men in the plant called to my attention that the deposit in the tank where they had racked the wine--after the new wine is made and allowed to stand it creates a certain deposit--that it was rubbery. And they would take a piece of this deposit and stretch it, just like a piece of rubber, and the thing would go back to its normal shape. And I asked for some sample of it, and I saw it myself.

I gave orders to my men now to hold that tank, but to tell me what grapes, what wine and from what grapes was that tank filled, and what did they do, how did they

Lanza: ferment it, when did they put in, what was the temperature. They couldn't tell me, and I was madder than a hatter because I had been trying to impress upon them to keep a record of every tank. And if there is a tank that is exceptionally good, now try and reason why, why is that so good? Or if there is a tank that is terrible, try and reason why, what happened. In order to make them capable, you know, and really workmen worthwhile.

Teiser: Your mention of blending wines--I believe I read an article of yours on a subject of standardization. In Wines and Vines of January, 1940 [p. 7]. Does this go with that?

Lanza: It's along that line. Now for instance, I am of the opinion that the blending of a California wine, and I mean a table wine, with, say, the Concord wine, makes a better wine than either of the two.

Teiser: Who does that now?

Lanza: I don't know who does it.

Teiser: Did Garrett & Company do it at one time?

Lanza: They may have. I was the first to observe it, because when we started (my brother was in the wine business and I started in Fredonia) that's all that we had, the Concord wine made from the grapes of the Concord type. Then as the business developed we were buying wines from California, and bringing them there. And in those days we didn't sell wine by the gallons or in bottles, so far as the winemaker was concerned. We sold the wine by the barrel. When you were asked a quotation, say, "What's the price of your wine?" you'd say, "Eight dollars a barrel, ten dollars a barrel."

Teiser: What size barrel was that?

Lanza: The 50-gallon barrel. Now I found that the fellows who were used to the Concord wine, if by mistake one of our men shipped him a barrel of California wine, we would get a complaint: "You thief! You scoundrel! I trusted you as I would trust my father! I ordered this, you made me pay in advance." You see? And vice versa. The fellow that was used to the California wine, if he got a barrel of wine made from the Concord wine by mistake (you know in the winery the men sometimes are careless), we would get the same sort of complaint.

Lanza: Very well. Then there was another type that wanted a certain color, and the minute we began to blend the two wines for the sake of color we found that the fellows would regard that as a superior wine, superior even to the imported--that is, it was their extravagant manner of showing how much they liked this wine. Whether it was or was not I didn't know in those days, I wasn't competent enough. But as I say, I observed from that experience that the blending pleased certain people, and then I did it on a larger scale and found that it improved.

Teiser: Did you ever do it in California? Blend Concord...

Lanza: No, but we did back East. We would have people that made Concord wine and I would suggest, and they would make [blend] it.

Teiser: I'm told that there is what they call a "foxy"--is that the term...?

Lanza: Yes, the foxy flavor. That's what they call it.

Teiser: And people on the West Coast don't like it and people there think it's fine?

Lanza: Exactly. Another thing that I learned from experience, and only by accident, was this, that when I took over the California Grape Products Corporation the people before me had made wine in Ukiah for the growers, for the farmers, on a sort of partnership basis in this way: a farmer would bring in a ton of grapes and they agreed to make wine and sell it for them and give them the proceeds of 100 gallons. That is, if from a ton of grapes they got, say, 160 gallons, then the company would get 60 gallons for manufacturing and selling that wine, and the grower would get 100 gallons. Well, that was before I took over the California Grape Products Company. Prohibition came, some years before I took over the company, and there was a lot of wine there in the winery belonging to the growers. Prohibition remained for, say, 14-15 years. This wine had turned into a wonderful type of vinegar, not exactly a vinegar but near winegar wine. But it belonged to the growers.

Then Prohibition was repealed and the growers stepped forward and said, "Give us our wine." At that time I was the owner. I hadn't made the wine but I inherited this wine. So I said, "Here it is. It's vinegar." They said, "But in your contract with your

Lanza: company you agreed to make wine that was sound and sell it. We want some wine." And they sued me, that is, the company. But I reasoned with the lawyers and I said, "Look. We didn't do that intentionally or through carelessness. We were compelled by the law to keep it. We couldn't sell it. And nature spoiled it; we didn't." Well, finally we settled. Wine was selling at the start of Repeal, you know, around one dollar a gallon. We settled; I paid them I think four cents a gallon for this as vinegar. So I settled more to, you know, make the best out of a bad job.

That following fall I thought, this is not vinegar and this is not wine either. So I said, "Let's referment it," because there was a process of refermenting wines in the books, you know. So we tried it, and from the resulting wine, the minute we sent the first car to New York, the New York people came here and bought all that I had. And later I found out, they claimed that that was better than much of the wine they were importing.

And I began to reason, how come? How could that be? And I tasted it and really found that they were right, that is, it was a good drinkable wine. Finally I came to this conclusion: what turns grape juice into wine is the operation of these little ferments. They are not animals but they are vegetable, say, like little mushrooms. All right. They feed on something. How come that this acid that is in this wine after the refermentation is gone? So that they must feed on that acid, do you see. Acid does have an effect on the operation of the ferment in fact. There is a certain acid that we call the malic acid that is natural in the juices that is helpful in the fermentation. So I thought that these little ferments like this kind of acid, whatever it was. And the result was the creation of a fine wine which retained the characteristic of the old wine, see, but replenished it with, say, with the blend of the young wine. So I have always suggested to my men that if they wanted to improve any type of wine they should referment it. That is, ferment it one year and ferment it again a second time. And we get results.

Now that was as I say by accident, by circumstances, but it is a fact that I think is valuable to the industry.

Teiser: Do many others do that now?

Lanza: I don't know whether they do or not, but it is kept more or less as a firm secret. You know what I mean, not a

- Lanza: secret but a practice that you like to profit while your competitor doesn't know anything about it.
- Teiser: Do I remember that there is now a law that when a wine company markets wine as vinegar, something has to be added to it? Is that to prevent this refermentation?
- Lanza: No. If the wine is turned into vinegar or for vinegar purposes then, you see, you pay no taxes. So the law requires a certain amount of acid before you can say it's not fit as wine. And I think they say it's 1.5, if I remember correctly.
- Teiser: I make my own vinegar.
- Lanza: So do I, so do I. And I use good wine. I use good wine not because I should but I have some wine that is so old that I think I can describe it as being decrepit. It hasn't got the flavor, you know, the combination of the fruit. And I have pretty good--that is, I think I have pretty good--wine. You know, like all other food products, it changes with age.

This used to be the rule, for instance, that I learned from Mr. Schilling. That is, he was the first one to tell me about it. Ordinarily a dry wine, you make it and it starts to improve. It reaches its peak when it's about four years old. Then it stays put until it's about six, and then it starts to go down. A sweet wine reaches its peak when it's 12 years old, and stays put until it is about 20 years old. Then it starts to go down. I have seen wine that was so old that all you had was just water and acids and alcohol, but there was no combination.

The sweet wines--I said 12 to 20. Brandy, 20 to 40 years old. It reaches its peak when it's 20, I mean peak of quality, and retains it until it is 40 and then it starts to go down. So that for instance when you hear of the Napoleonic brandy, from the times of Napoleon, and you pay high prices for it, you pay high prices for it because you're deceived. And I don't mean viciously deceived. But you think one thing when the fact is different. I mean, you're deceived because you're not up to snuff or don't understand why.

EUROPEANS AND AMERICANS

Lanza: In France, for instance, you start a tank of wine today. You age it, let us say, for three or four years. After that you remove 50 per cent of it and you add 50 per cent of the new wine.

Teiser: This is dry wine?

Lanza: Any wine. And next year you take out 50 per cent and again replenish it with 50 per cent new the next year. So if you started that tank, let us say, in 1800, you can still claim that this product was made in 1800. In our laws you can't do that. It's got to be 100 per cent of one year; otherwise you cannot claim any age statement at all. The youngest of the wine in that tank is the age of that wine. But you see where the ordinary person would buy a bottle of the so-called Napoleon brandy and he thinks he has something worth serving you, you know, when as a matter of fact [laughter] he just follows--there are things that one needs to know when we speak of foreign standards.

Take, for instance, we speak of our acidity, and we say it's five parts per 1,000 or ten parts per 1,000. Well now, the French will speak of acidity and he says, two parts per 1,000, or four or what not, because his scale is different. It's one-half of ours. Because they use a different acid. You speak of an acid in wine. The authorities claim that there's 15 different kinds of acid. The same as you speak about brandy. Well, brandy begins to raise, let us say, some of the alcohol in it reaches I think 67. I don't remember for sure. At 67 degrees there's one thing that lifts; at 75 a different one; at 83 different, and so on, until you go up to 212. You see what I mean? Or even higher.

But the professional knows those things. But the common ordinary public [laughter] are apt to be misled.

Teiser: I think you and Mr. Baccigaluppi mentioned the other day a variety that you had worked with called Ugni blanc. It has another name too, does it?

Lanza: Yes, the Italian is Trebbiano.

Teiser: And that's one you imported?

Lanza: Yes. I brought it in as Trebbiano, but it's the same as the Ugni blanc. And another name for it is, I can't think of it now. It has a third name. But it's the same grape.

Teiser: Saint-Emilion?

Lanza: Yes.

Teiser: When you first came to California--of course, it was during Prohibition--but did the relationship between the grower and the winemaker change over the period that you observed it?

Lanza: Well, it has changed in a manner, in the development of the commercial side of it. In the old days every ranch, every grape grower, had his little winery. Hence why, for instance, in Napa Valley I think at one time there were 150 wineries. Well, as we speak of wineries today they weren't wineries. It was that every farmer had his own establishment, the same as they did in the old country. When Repeal came I asked one of my Italian friends if I could get a chemist, a wine chemist, and he was an official of some kind. I've forgotten what kind. And he said to me, "Look, the wineries in Italy--they're all small wineries. Nobody's got a chemist. They can't afford to have a chemist."

So the books I had been reading had been [by] the chemists in the colleges of agriculture, not the chemists as we know them here.

Teiser: What did you do? Did you find one?

Lanza: I got one, and he proved not satisfactory.

Teiser: Where did you get him, from a college?

Lanza: From college. I got him from the college at Conegliano [in Italy]. It's viticultural, like the one at Asti [in Italy]. And this young gentleman came, and he came from a family that was apparently well established because he had an uncle who was a cardinal in the church, and from that I conclude. But he had learned the art of wine making and he came here, and I, knowing the foreigner of those days--he thought he knew everything and here in America we knew nothing. And how conceited and proud they were!

Lanza: The very first day that I took him out to lunch when he arrived here, we talked and talked and finally I came to this point. I said, "Now, look. I'm going to take you to Ukiah where we have a plant up there. And they're nice people. The foremen or the men at the head of the plant, they're all nice." There was a young chemist there (who by the way is now at the head of the Roma production, Roy Mineau). Well, he was the young chemist up there. I said, "Now, look. You will want to learn what they know, and they may be asking you what you know. Now if you have any secrets please do not make use of them," knowing, you know, that every Italian has 5,000 recipes for this or that. He said, "Do you mean to tell me that I've got to let them know what I know?" I said, "No. I'm telling you just the reverse of that. Don't make use of any secrets, secret methods that you may have, because if you do they're going to ask you what you did and the minute you won't tell them they are not going to tell you anything that you should know." So, I said, "I'm not asking you to make use of your secrets, in the sense of participating. But I'm telling you that if you show that you want, without giving, they're going to do the same thing with you."

Sure enough he goes up there. Before the end of the month that's what had happened. So it was a case where he was useless. I had to get rid of him. And he went away.

Teiser: Did your young chemist come from this area?

Lanza: No, he came I think from Oregon.

Teiser: The other chemists whom you employed at various times in the operation--have they been mostly Americans then?

Lanza: Oh, yes. Or they are of Italian descent, but they are Americanized, you know, like the rest of us. There is no more of the old class of the Italian. I look at, you know, in my own case. I have of course a high respect for my forefathers, because I was brought up that way. So I have a certain respect for my native land. But the way Italy was my native land, so is America. The native land of my own children. My father and mother, who were born there, they are buried here. My brother, my sisters who were born there, are buried here. And now my family is so spread that the close and the distant have graduates from different colleges.

Lanza: I have a grandson, for instance, [pointing to photograph] this lower one he is a Yale man and, by the way, he is one of the writers of the Captain Kangaroo show. And he must be getting good wages because of the way he talks and what he does. The other one is a graduate of Oregon. And I have a distant relative who is teaching at Bryn Mawr. I just happened to think of her. I have had children graduate [University of] California. Relatives graduate of Cornell. Different colleges. So this is America, and I'm one of the Americans, because that's the way that we have built America.

I remember, for instance, when we came here to this country in 1891 the population was only 62 million. Now it's 200 million. So I've been here when we built the country three times as much. I have contributed. So to me America, they say that the fatherland--fine. I have respect for the fatherland because of my forefathers. But I have equally an interest, if not greater, because the present is always better than the past, here in America. And that is true for all of us.

I sometimes evaluate, you know, the American life with life in other parts of the country, and I can only evaluate it according to my own experience. I came here when I was ten years old.

Teiser: What was your birth date?

Lanza: My birthday was June 5th, either 1880 or 1881. I used to think it was 1881 because I had a cousin, Horace Lograsso, a distant cousin, about the same age as I was, and I always thought I was six months older than he was. And I reasoned that I was six months older because I was born in June and he was born in December. But he became a young doctor and then he had to get his birth certificate. And some years later he told me that he was born in 1880. So if he was born in 1880 and I was six months older, then it was 1880. But if I was born in 1881, then he was six months older than I was. But we were of different year. And in Italy, at least in those days, we didn't speak of birthdays. We would refer to age as the Indians, say, did in this country--so many summers.

For instance, my father was born in 1843, but he didn't know when, what month. My mother was born in 1852 but she didn't know when. I didn't know that

Lanza: birthdays were to be celebrated until I was about 14 years old. Just customs.

Well, very well. We came in 1891. Ten years later I graduated from the University of Buffalo in law.

Teiser: How did you manage to go to the University? That must have been very expensive for a young fellow.

Lanza: No, not in those days. We lived in Fredonia, New York, which happened to have a normal school--it didn't have a high school, but a normal school. And this young cousin of mine and myself, we went to school there, in the elementary schools, and then we went into the normal school and then we graduated from that. I went to study law and he went to study medicine.

We would work in the summer at the canning factory starting in the month of May when strawberries would start to come in, until November when apples, which was the last fruit to be canned at the canning factory. Then we would go to school between November and the following June. And we went to school because we had nothing else to do. We had to. But we worked whenever we could.

When I went to the University then the fee, as I recall, was about \$150 a year. And the first year it cost me about \$400 and the second year \$500. And in those days that was the legal course, just two years.

So as I say I arrived here in 1891. In 1901 I graduated from the University of Buffalo. In 1911--we'll make it ten years--I was already established in the practice of law, and I believe that I had the biggest law office and law practice in the city of Buffalo for a youngster of my age, when I was 30. And I had had the good fortune to have a good practice and had good opportunity to develop, because I represented a laboring class. That's all I could get for clients. But a laboring class.

If a man worked on the railroad and he got killed, then I would sue the railroad company. If the man had insurance and had trouble, then I would sue the insurance company. You see, I was pitted against lawyers of ability and distinction, because those corporations had such lawyers, and I, realizing that

Lanza: I was a youngster that didn't know anything, I would work on my cases and study until midnight and get up the next morning at 5 o'clock to study some more to prepare that case. I was learning without knowing that I was learning. And so I felt that in 1931 I had the biggest practice and a fairly good reputation in the profession, I believe.

In 1941--I go from ten years to ten years--I had gone into the wine business and made a small fortune. In 1951--was that 1951?--I lost...no, the crash was in '29, so my ten years--I've got to go back. At 20 I was already in the profession; at 30 I had become prominent in the profession; at 40 years of age I had gone into business and made a fortune; at 50 years of age I lost every cent that I had, as I told you the other day, and I lost not only all I had but they came and got a deficiency judgement against me of \$128,000. When I was 60 I had already made another fortune even bigger than the one when I was 40. And at 70, and so on. So you can imagine how I should feel about this country, what it means to me. There is no place on earth where I could have done that. Do you see what I mean?

So it just goes to show the America that we have today, the Americans that we have today--of course we have a bigger family of Americans or of nationalities. I, for instance, married a Scotch lassie, who by the way, was born in Scotland and her mother and two of her sisters and two brothers arrived in New York the same day that I arrived in New York, in 1891. Isn't that strange? [Laughter]

Teiser: What was her maiden name?

Lanza: Allen, Selina Allen. She was born in Monifieth, Scotland. That's near Dundee. We went when we were married to see her place.

As I say, then my children married, you know, half German, half English, and so on. That's the American of today. Excuse me, there's the telephone.

FURTHER PROHIBITION PERIOD RECOLLECTIONS

Teiser: Looking over your career, I can see logic in everything except why anyone would go into the wine business during Prohibition?

Lanza: Well, I was in the wine business before.

Teiser: Yes, but why would you have gone further into it in Prohibition?

Lanza: I saw nothing but success.

Teiser: You saw Repeal coming, did you?

Lanza: Yes, I saw it coming and I profited by it, as I told you, I think, by buying a lot of wine that I sold at a good profit. And then I thought that people would make their wine at home, because it's easy to make wine.

Teiser: Do you think that they would do that just into the distant future?

Lanza: Oh, yes. They were doing it before Prohibition. They were doing it before Prohibition because the ordinary Italian, for instance--in the old country, he made his wine. He didn't buy wine.

Teiser: My neighbors in San Francisco did when I first lived there in the forties.

Lanza: Exactly. So I had faith that grapes would sell for wine making and there would be a big demand for it, and also grape products, which is the concentrate to make the home wine. So I believed in that, and I was a pioneer in that field. And then we also sold a lot of fresh grapes in the markets back East.

Teiser: For people to make wine out of?

Lanza: That's it exactly. And there was a certain amount of legitimate business which only a few people could afford to make. In other words there wasn't enough for every riffraff to make wine, but the few that were in it could make wine. As I say during Prohibition we enjoyed the patronage of the Campbell Soup Company, of the tobacco people in Philadelphia.

Teiser: Who were your main competitors during Prohibition?

Lanza: California Wine Association. Some in Lodi, I don't remember the name. Then there were the Beaulieu people for sacramental wines. There was also a winery in Fresno, and I think it was operated by the raisin growers' association as a sort of a by-product. The Italian Vineyard Company in Los Angeles, Garrett and Company of Cucamonga, and there in New York state in the Finger Lake District.

Teiser: Was Italian Swiss in it too during Prohibition?

Lanza: No, it was out. No, I beg your pardon. Yes, it was, but they didn't make wine. They just specialized in the by-products like concentrate. The sons of the founder, the Rossi boys, they went into it, and they did go into the wines eventually when they found that there was a field for it much later. But they started only with the concentrate then.

Teiser: Then there were quite a few competitors.

Lanza: Oh, yes. There were quite a number of competitors. But it always had an attraction for me. And the faith, like I have faith in it now, even now. And I see what I believe not many other fellows see, and that is this: The amount of labor required on an acre of grapes is greater than the amount of labor required in any other product of agriculture. That is to say, that the amount of annual labor in one acres of grapes is greater than an acre of lettuce, an acre of tomatoes, an acre of cucumbers, or of cabbage, or of corn, or what not.

Therefore in agriculture, because we can grow grapes in this country in every state, I maintain, and in every climate in this country, only a different type of grapes--there are going to be more people engaged in producing wines, producing grapes and producing wines. How come? When the farmer in Wisconsin, let us say, realizes that he can make a profit in growing grapes, he'd just as soon grow grapes as raise cattle, or to raise hogs, or what not. With him it's a case of making a living. And if Wisconsin discovers that it can produce grapes and wine, they are not going to come to California to buy their wine. They are going to make [it]. The local fellow will always have the inside ring.

Lanza:

But the local fellow may not make as good wine as they make in California. But--if he buys some wine or grape product in California, brings it to Wisconsin and blends it with his own, he is going to use production of California, but he's going to develop a market in Wisconsin which is not there today.

Now following that thought--do you see what I mean?--here in this country there is a potential. The grape growing is going to be greater, and the consumption of the grape products is greater. Only the other day I saw in some report here from the University of California that a few years ago--let us say 15 or 20 years ago, I don't remember just exactly when--we were producing 90 per cent of the grapes and grape products in the country. Now it's 72 per cent. And yet we were selling 45 million gallons of wine when Prohibition started, and now we're selling 160 million gallons. Do you see what I mean? Four times as much, and yet our percentage [is lower]. Why? Because other states have picked up a little. Have they finished? Not at all. That's going to go on.

So you can see from the enthusiasm that I have about it, if I were a young man I would be attracted to it. I don't say that's the only thing that would attract me. But I believe it would be one of the things that I would consider seriously. And am I the only fellow that can be convinced? Hence I have great faith there is going to be greater production and greater consumption, because finally it's the only beverage which offers you the fruit, that is, all the beneficial part of the fruit, plus alcohol which it generates by its own sugar or production or what not. And when we become a people of sober habits, when we just settle down, we're going to accept it like bread and butter, without getting stuffed with bread and butter [laughter]. Just for our own needs.

I notice it with myself here at my age. Say I'm 88 or 89. I take one glass of wine with my lunch. If I take any at all it's just a glass of wine. And one with my dinner. I do take a little highball in the evening before dinner because of sort of habit. But only one. What's the consequence? I am alone but I have a housekeeper; she is Italian from near Venice there. She drinks half a glass of wine at lunch and one glass of wine in the evening. We consume two bottles every three days. And here I am; I've showed I'm in

Lanza: good health for a man of my age. I enjoy life.

So the use of that wine--I don't say that's why I feel well, but as I do with coffee, in the morning: I'll take one or two cups of coffee but no more in the day. I can't touch it. If I had coffee at noon I'd get heartburn and I wouldn't be able to sleep that night. So why? There's a certain time and a certain place that I need it. And so as I say there is going to be a lot of people that are going to form those habits that I have. And I can't stand beer. I used to like beer when on the hot days I'd be driving, and I'd find that the minute I took a glass of beer or a bottle of beer, when I was thirsty, then I would be thirsty for water, water, water, which was not the fact if I left the beer alone.

Well, it's just an illustration, and I believe there is a future for grape growing and grape products. And we haven't seen the end yet.

Teiser: I'm going to interview next Mr. Baccigaluppi. You've known him since 1922, did he say? I thought you might be able to tell me a little about him. How did you happen to meet him?

Lanza: He was 21 when I met him. I'll tell you how it came about.

When Prohibition came, it came in 1918. But it was in effect from November, 1918, until the following year, what we called wartime Prohibition. And then it was the real Volstead Act that started the following winter.

The Colonial Grape Products Company that we had here was shipping wines to New York to a firm that was engaged in importation of goods from Italy--cheese, sauces, tomato sauce and wines and so forth. And Harry was an office boy who worked there. The man at the head of that firm, which was then called Cella--not this Cella, the wine business here, but the same name--Cella on West Broadway, New York, he began to get jittery. His name was [Louis] Profumo, the gentleman that managed Cella Brothers. He began to worry. We were selling wine to the Jewish trade, through government channels, mind you. And the report on the street was that sometimes these Jewish rabbis took the wine--they bought it for sacramental purposes but before

Lanza: it got to the church the truck would break down somewhere along the line, do you see? And he began to worry.

Well, I was one that didn't believe in Prohibition anyway. And I didn't do anything to get in trouble with the government, but if I saw that you bought for sacramental purposes but went around the corner and drank it yourself, I didn't care a darn. My conscience wasn't hurt. But this gentleman, as I say, feared that the fact that some of the rabbis were buying more than they could serve in the synagogue, that he might get into trouble. So he proposed to my associate, Mr. Federspiel. He said, "Look, there's a young fellow here in the office. He's a bright boy and he's a good boy. I suggest to you that you appoint him as your agent. But I'll back him, I'll direct him and I'll counsel him right along." So Harry starts to work for the Colonial Grape Products Company. I am the vice-president and general manager of the Colonial Grape Products Company. So he comes under my jurisdiction, do you see.

When we formed the Colonial Grape Products Company, Federspiel was very nice. He said, "Now what would you like to be in the corporation?" I said, "It doesn't matter what I will be, as long as I'll have the distribution in the East." I said, "I suggest Mr. Schilling [as president]." He says, "No, Mr. Schilling can't take the position," because he had sold out and signed [a contract that] he couldn't become interested [in any wine company].* "Well, then," I said, "how about you yourself?" So we made him president, Federspiel. That's how he came to be president. And I was placed to be vice-president, but general manager.

So he [Harry Baccigaluppi] came to work for me, as I say, that early, and it must have been in 1922 I would say. He was born in 1901, so he was 21 years old.
[Laughter]

Telser: He must have liked the job, since he seems to have stayed with you.

Lanza: Yes, indeed. He came up, and he has had ability, and I also was glad when I made that killing in Los Angeles

*See pp. 7-8.



Lanza: that I told you about, I gave \$350,000 through the representation of stock that they had subscribed to, to Harry. And you can see how much I thought of him and other fellows.

MEN AND CHARACTER TRAITS

I don't mean to mention it with pride, but I do get satisfaction from the fact that I feel I've made about a dozen men rich. And most of them have proven themselves worthy. But then four or five that have disappointed me, bitterly. But that's life.

Teiser: I think that's a pretty good average.

Lanza: Yes, indeed--thank God, yes, indeed. And that's the way that Harry thinks the world of me. And I think the world of him.

Teiser: I understand that the whole industry thinks very highly of him.

Lanza: Oh indeed. [Laughter] Well, I won't take the credit for all of that, but some of it. But his father was a great man. His mother was a wonderful woman of the old style. And Harry himself, I think--some of us are born, you know, to be attracted to the nicer ways of life, to nicer things. When we say a great artist, a great singer, a great manager, I think that the native traits have something to do with it. Not all, but something to do with that. When you're born, as I say, if your inclination is on the noble side, you enjoy the credit. I feel very fortunate.

Now, look, strange as you may think, I've got an inferiority complex. I think I have always had. And yet when I lost my temper I didn't know any man that was my equal in the sense of competition or of fight. I felt as big as the biggest there ever was, which is inconsistent. But I think I learned that inferiority complex because of the wonderful mother that I had. She was a great disciplinarian so far as the family was concerned. She loved us as any mother could love. But discipline was discipline, and we shouldn't talk when elders are talking, we shouldn't do anything that wasn't right and all that.



Lanza: And my father, very much the same. His favorite word or advice to us was always, "Don't." Don't do this or don't do that, for fear you might offend or intrude. My mother's was the opposite. It was "Get out of here! Get out of here!" She wouldn't have us around the house, that is the boys. One of her familiar expressions was, for instance, if we would hang around the kitchen, she would shoo us out and she was very religious, but when she lost her temper she could swear like any trooper that I have ever seen. And she'd say, "Get out of here! Get out of here!" She'd say, "By jingo, even if I am dead and gone and I hear that you're going to wear dresses and let some poor woman's daughter do the man's work, I'll get up from my grave and raise hell with you." And she meant it. [Laughter]

So, as I say, I grew up to be careful not to do this, not to do that. That has followed me throughout life. If I've ever done anything that I've been ashamed of, it has been due to that inferiority complex, such as being invited by dignified people, accepting when I had to accept and then failed to show up. Silly stuff like that. Because--I'll tell you of the first party that I went to, just to illustrate.

I had the misfortune of losing my mother when I was 14 years of age. So we grew up in the family, you know, with a lot of kind friends and kind neighbors. When I went to school, besides being a foreigner against whom there was prejudice in those days (the Italians were regarded, let us say, as we regard the Mexicans: you know, a little bit inferior)--okay. I never, I went to school with boys and girls in the town and the neighborhood, never went inside of their houses. I was never asked, never brought inside of anybody's house other than the Italian boys. So in the graduating class of the normal school, which means I was then 18 years of age, the French teacher had a party for her students. Well, I had taken languages a good deal because they were easy for me. That is, at least I thought so. So I had taken three years of Latin, two years of French, one year of Greek, and in this graduating year just before graduation the French teacher invited the class to a party, at her house.

So I went, and a dear old lady that used to talk to me at times and give me advice, said to me, "When you finish with the party you thank the teacher for the



Lanza: nice time you had." So I went in there with that admonition. I was going to say thank you. While we are holding the party there is a girl who is the daughter of a banker, in a banking family. And she was a little bit on the dumb side in class. We had little jokes, in French, and she, thinking that I was a wizard in French, she would be consulting me to make the translations for her. So she was with me more or less all the evening in this room. About 20 of us youngsters were there. Finally it came time for refreshments, and they were passing the trays, and when they came to me I took a tray. The minute I took that tray I saw I made a mistake, because the other boys hadn't taken any. You see? It wasn't right for me to take it. And I was so nervous, I shake and the thing falls to the floor. And what was bad enough I made worse with that mess, because I had never been in a party before.

Going out, I'm waiting to say good night to the teacher, you know, and I had a good time, as this dear old lady had told me. And there is the banker's daughter talking to her and there is the daughter of a minister with her brother, that were also in the class. And I'm waiting for them to get through. They're talking and I'm waiting, they're talking and finally they get through and the three youngsters walked out. So I walked up to the teacher, said my little speech, and went home. The next morning when we go back to class this minister's son, he said, "What the hell did Bessie do that you didn't ask her to take her home?" He said, "By God, we were waiting there." They were talking to the teacher waiting for me to ask the banker's daughter if I could take her home. I saw I had made another mistake. [Laughter]

And then of course the next time there was a party the first thing I asked the banker's daughter if I could take her home. Just to illustrate how an environment of that kind instilled that inferiority complex, which as I said has been mortifying to me on a number of occasions, but not out of viciousness. Of stupidity. [Laughter]



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Harry Baccigaluppi

CALIFORNIA GRAPE PRODUCTS AND OTHER WINE ENTERPRISES: PART II

With an Introduction by

Maynard A. Amerine

An Interview Conducted by
Ruth Teiser



Harry Baccigaluppi discussing the interview, 1970.
Photograph by Catherine Harroun.

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INTERVIEW HISTORY

The interview with Harry Baccigaluppi was held in two sessions, on February 26 and 27, 1969, in his office at Calgrape Wineries, Inc., San Francisco. It is in part a continuation of Mr. Lanza's interview and in part an account of his own activities. There is continuity between the two careers in both individual winery affairs and general industry affairs, Mr. Lanza, a founder of the Wine Institute, was earlier an active participant in industry committees, as Mr. Baccigaluppi has been more recently and to this date.

The initial transcript of the interview was sent to Mr. Baccigaluppi at the same time Mr. Lanza's went to him, in September 1969. The interviewer had taken one passage out of its original sequence and placed it in chronological order. Mr. Baccigaluppi rewrote one passage, adding detail. Beyond those changes, the editing consisted of Mr. Baccigaluppi's word corrections and brief additions for clarification.

Mr. Baccigaluppi spoke easily, sometimes recalling without effort, at other times searching his memory carefully, always with obvious regard for accuracy and fairness.

In addition to giving this interview, Mr. Baccigaluppi has generously searched both his files and his memory for answers to many questions asked during the research underlying the entire wine industry series. His broad experience and close knowledge of the industry during the Prohibition and early Repeal years, a period of few records, have been of invaluable aid.

Ruth Teiser,
Interviewer

30 January 1971
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University of California at Berkeley

INTRODUCTION

Harry Baccigaluppi was born in New York in 1901, of Italian-born parents. He went to school there and by going to night school while working obtained a degree in civil engineering in 1923.

From 1916 until 1922 he worked for a general grocery and wine firm in New York. Since 1922 he has been associated with the wine business of Horace O. Lanza, since 1943 in California.

His recollections cover a wide range of information but the main events that stand out are Prohibition operations in New York, the sale of wines in bulk, and his work to achieve financial stability for the California wine industry.

During Prohibition his firm did mainly sacramental wine business--Jewish and Catholic. They also sold wine to tobacco and soup companies. The legal and other problems of doing a legitimate business during this period are well covered. He also gives useful information on how the California concentrate was distributed and used in the eastern United States.

The sale of wine in bulk was the principal business of his firm for many years. Here the picture is one of his firm supplying good quality wines to appreciative customers for many years--to one, at least, for 33 years.

Finally, as he explains, because bulk wine prices were particularly subject to rapid fluctuations in prices, he became one of the chief architects of California stabilization plans. Setting up these plans required a great deal of patient negotiation. Baccigaluppi was a master of this, and it was thanks to his quiet persuasion that some of them ever got going. His services as president of the Wine Institute may also be cited as one of his many efforts to help stabilize the California wine industry. What does not appear in this Oral History is Baccigaluppi's service over the years on so many Wine Institute and Wine Advisory Board committees: executive, medical research, trade relations, etc., etc. Whether as presiding officer or committee member, all recall his unfailing courtesy, patience, humor and clear thinking.

As a footnote, since he and Ernest Wente refer to the history of the variety St. Émilien (Ugni blanc, Trebbiano) in California, it might be worthwhile to record that Eugene Waldemar Hilgard tested the variety in California in 1884, 1887, 1888, 1889, 1890, 1892 1893 and 1894 from Fulsom, Cupertino, Natoma, Tulare and Paso Robles.*

Maynard A. Amerine
Professor, Viticulture
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January 1971
101 Wickson Hall
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*The University of California. Report of the viticulture work during the seasons 1887-1893, with data regarding the vintages of 1894-1895. Sacramento. A.J. Johnston, Superintendent State Printing, 1896 (see pp. 234-236).

(Interview with Harry Baccigaluppi, San Francisco,
February 26, 1969)

FIRST EXPERIENCES IN THE WINE TRADE

Teiser: May we start with the beginning of your life?

Bacci.: All right, we can start with the beginning. Now that, so far as any active participation in any kind of work, goes back to 1916.

Teiser: Let me ask you when you were born and where.

Bacci.: I was born in New York on August the 2nd, 1901. In 1916, I was a high school boy, and my dad was one of those men who believed that while play was good that work was even more important. And that spending too much time after school playing was not the way to develop your life. And with that he had made arrangements through an old friend of his whom he had been instrumental in getting started in the wholesale grocery and wine business some years before. As a matter of fact he had even been a salesman for him, one time traveling throughout the country. So I found myself going to high school and then getting through around one o'clock, and then having a quick bite and immediately went to G. Cella & Brother, where I did the usual chores an office boy would do. I had no qualifications for anything except a willingness to work.

It was quite an interesting experience, and I say it had a great deal to do with molding my interests in life, among other things. Although I came from a family (both my mother and father were born in Italy)

Bacci.: with an Italian background, I dare say that the opportunity to actually cultivate a speaking knowledge of the language would have been lost in great part if it hadn't been for the fact that I was thrown into this wholesale grocery business.

Teiser: Was this G. Cella & Brother?

Bacci.: This was G. Cella & Brother, right.

Teiser: There was no connection with the California Cella family?

Bacci.: No, there was no connection at all. As a matter of fact they at that time were also doing business in New York, and they were then known as the Cella Wine Company. I remember they were somewhere up on Second Avenue. Their business consisted substantially, as I recall it, of receiving wine in barrels from California (they may have had some imports too; I don't know) and then breaking those down into five-gallon demijohns and then of course finally delivering them to families in the immediate area. And I think it was Lori [Lorenzo] Cella, one of the two brothers, who drove a horse and wagon, or stayed in the office--I don't remember which. But old J.B. Cella was the man who would deliver these five-gallon jugs on his back and he'd walk up tenement houses [carrying them], you know. Their business was largely that. On the other hand, G. Cella & Brother was a more diversified kind of an operation. It was largely groceries and largely Italian groceries. And by Italian I mean actually imports, most of everything, and for a long time it was imports. And I think, as I remember it now, they began to diversify later on and began to bring in some American products as well.

So there we were. They were buying wines in barrels from California.

Teiser: What size barrels were they?

Bacci.: Fifty-gallon barrels. And many of the families bought 50-gallon barrels. They did a whale of a business, for instance, shipping into the mining towns of Pennsylvania, where even the miner himself would buy a 50-gallon barrel for his family, or some little boarding house would buy it and dispense it to its boarders. And that was a sizable business. As a matter of fact I also

Bacci.: have a hazy recollection of not too close a record being kept, but most of this stuff that went into Pennsylvania to the individuals went on a C.O.D. basis. And I have recollection that a close record wasn't even kept of whether or not these people paid or not. So long as they had gone out, and nobody could take delivery unless they had paid for it, assuming of course that the express company would make payment after receiving payment themselves. You'd think that the record of the American Express Company [would have been sufficient]. Then they became Railway Express Agency, as against what it is today, an entirely different agency. It's on the downgrade considerably. It's a very unreliable means of transportation today. It's a pity that they've sunken so low because, they've just become absolutely undependable. That isn't my judgement; it's the judgement of anybody who has had to use them.

So here we are then, working there as a boy. And, mind you, no arrangements had been made for salary or anything. As a matter of fact I think my dad must have put it on the basis that he wanted to keep his son occupied. In those days you didn't pay your help by check. You were paid by cash; you paid in cash. I shall always remember the end of that first week. Incidentally, this job consisted of working from 1 to 6, 6:30 and all day on Saturday. And I remember this first Saturday afternoon, it must have been around 5 o'clock, we were getting close to the time when we'd be closing up, and close to that time the boss, Mr. Cella, would go around distributing the envelopes to those who had worked.

I remember his coming over to me and saying he didn't want me to work for nothing. He went on to suggest that perhaps that was the arrangement but he wanted me to have an envelope like everybody else. And I remember taking this envelope home and giving it to my mother. And she said, "No, it's yours." I said, "No, half of it is yours." I didn't know what was in it at all. She opened up the envelope, and there was a dollar in it. [Laughter] There was a dollar in it. So when people talk to me about having started from the bottom, when they talk about \$4 a week or \$5 a week or \$10 a week, I say to myself, brother, no matter how low you started, you couldn't have started any lower than I did. [Laughter]

Bacci.: Well, this went along. I think that was in the month of April and then of course the school vacations came along. And at that point it was all day long, from 8 o'clock in the morning until 6 o'clock at night and all day on Saturday and then I remember my salary was raised, to \$4 a week. [Laughter]

It proved to be a very, very interesting experience, and truthfully I would say that the position I occupy today is just a continuation of that employment, because due to company changes and corporate changes one seemed to sort of glide into another without any interruption at all. So I can truthfully say that from 1916 to the present I wasn't out of work one day of my life. No break in there of any kind.

Now G. Cella & Brother later merged with a competing outfit, a larger one, known as Cella Brothers. And that was Cella Brothers Incorporated. And this outfit then became "Cella Brothers-G. Cella & Brother." Well, that came about as the result of Cella Brothers having been bought by one of the outstanding Italian import houses of its day, L. Gandolfi & Company. And they then merged these three companies together. And then by virtue of having had some experience I acquired new responsibilities in this new Cella Brothers-G. Cella & Brother. Cella Brothers hyphen G. Cella & Brother.

Teiser: What did your responsibilities become then?

Bacci.: Oh, I would say that I was a sort of a billing clerk and junior bookkeeper, without having really any knowledge of bookkeeping. I should tell you also that in 1918 when I graduated from high school I then decided I was going to go into engineering. And the family economy not being too strong, I of course had to seek some means of getting an education that wouldn't cost the family anything. So while I had been offered a scholarship to Cornell, I selected instead Cooper Union in the city of New York. It had been founded by Peter Cooper way back in the 1860's, and was designed for just such boys as were in my economic circumstances. Then even there, although there was no tuition involved, I elected to take the night course so I could continue earning money during the day.

And that went on for five years for five nights a week, and in 1923 I then graduated with a degree in civil engineering.

Bacci.: Now in the interim of course Prohibition had come about, and it was in 1922 that Mr. Lanza had come on a trip to New York, because the law then provided that if you had a winery, let's say in California--at this time he was a partner in the Colonial Grape Products Company--if you had a wine producing company, you could also have a bonded storeroom elsewhere for the sale and distribution of your wines. He thought of New York of course as being the logical market. In those days New York was the one great market in the country that you looked to as a possible source of distribution of anything. And he came there and apparently came there on instructions from his--not instructions, but after discussion with his associate, Mr. Sophus Federspiel, who had one good friend in New York.

This one good friend was a man by the name of Louis Profumo. Louis Profumo was then the manager of Cella Brothers-G. Cella & Brother, having been the prior manager of Cella Brothers. He was then the manager of Cella Brothers-G. Cella & Brother, and had been, before his association with Cella Brothers, the New York manager of the old Italian Swiss Colony under Mr. Federspiel, who was the general manager of the Italian Swiss Colony. And Mr. Lanza came in to see him to find out if he could take care of this operation that consisted of operating the branch bonded storeroom.

Profumo was unwilling to take it on because of his other duties and responsibilities. But he said to him, "Look, I've got a young man in the organization here whom I think might have some possibilities and he may be able to fit in."

Well, the next thing you know this little office operated by the Colonial Grape Products Company was operated under the general supervision of Cella Brothers-G. Cella & Brother. But it was a separate entity. Nothing that we did entered into the books of Cella Brothers-G. Cella & Brother, but the Cella Brothers received a commission of some kind for this supervision. So I started from there, as a kid.

THE WINE MARKET DURING PROHIBITION

Teiser: You were in charge of that office?

Bacci.: I was in charge of that office, yes. It was a very small office; it was a very small operation.

Teiser: What was its address?

Bacci.: The address at that time was 427 West Broadway. We had an office there, and we had a warehouse. The warehouse, for the warehousing of these wines--these wines had to be kept in bond. At the start, I remember, these wines were stored in the F.C. Linde warehouse, which was a public warehouse, and that created all kinds of problems. We didn't even have at the time an employee working in the warehouse. For instance, if we had to draw a sample, I would call this man who was then taken into our employ on a sort of a part-time basis. He was the former cellar man for Italian Swiss Colony in New York, but with Prohibition he had gone into the contracting business. One of the most capable individuals I have ever met in my life. His name was Dick Bongiorno. I have never met in all of my life a more dedicated, a more conscientious workman than this fellow, or a more competent one. When I look around me today and see the kind of people who are drawing down heavy pay for mediocre work, and I think of poor Dick. I am often tempted, on trips to New York, to try and establish some kind of contact with his family. I'd like to go out to Calvary Cemetery or wherever he may be buried, and put a wreath on his grave. And that's how I felt about the fellow.

Later we decided that this operation at the F.C. Linde warehouse, when we became a little more active, was not a practical way of operating--we then rented space in a warehouse that was owned by the New York Central Railroad. It wasn't a warehouse; actually it was a loft building, and we had taken a floor in that for the storage of these wines. And Dick then came in on a full-time basis.

I remember one Christmas eve when I went over there (it was customary to give our employees, I think it was either two weeks' or a month's salary, I forget what it was)--this particular Christmas eve happened to coincide with a payday, so that I went over to him

Bacci.: with two envelopes. We were still paying in cash. I went up with two envelopes and I said, "Dick, this is your regular pay and this is a little bonus from the company in appreciation of your work throughout the year." His answer was "This I'll take, but that I won't take." He said, "We didn't do enough business this year for that." This is a workman--mind you, this is a workman. Now I'll ask you, go scouring the countryside and you find another one like him. The man was just a tremendous worker. I remember a period there when business was so active, that every week four carloads of wine would come in from California. That was approximately 400 barrels. And 400 barrels would be going out. And he handled all of it by himself. Every bit of it by himself, which would actually mean not only bringing it in but stacking it up two or three high. If he had to go into the third tier he might call the elevator man and tell him to give him a little lift. Then he would filter every barrel of wine. Mind you, this wasn't in tanks. This was filtering from one barrel into another barrel.

Teiser: Why?

Bacci.: Because you have to make certain that none of the--sometimes a little piece of wood from the cooperage might be floating around, so you always went through the process of filtering these wines. In those days, among other things, remember, that this was before the industry had recognized the necessity of refrigerating wines in order to preserve their clarity. In those days nobody filtered. If a wine had a little sediment in it, so a wine had a little sediment in it. It was an accepted thing. Today you can't give it away if it has a little sediment in it.

I remember my father used to buy--this is prior to Prohibition--would buy wine in five-gallon demijohns for our family use. I remember that sometimes he'd start pouring and it would be a little cloudy. And he'd say, "Well, I've got to go down and tell this fellow that he'd better give the bottom of the barrel to somebody else occasionally," you see. But it wasn't a major complaint. Everybody would like to get the prime cut of beef, you see. But it was just an accepted thing.

It just about started during the Prohibition period when clarity began to be so important. And you know it wasn't until after Repeal that the industry generally--

Bacci.: and it was some time after Repeal--before the industry generally recognized the necessity of subjecting wines to what we now call a cold holding process, where you bring these wines down to low temperatures for the purpose of precipitating the bitartrates. And it's these bitartrates, if they're in suspension, that represent your sediment largely. But it was sometime after Prohibition that the industry--as a matter of fact, one of our prime (I don't want to mention his name today) premium wine operators today, a man of national, even international reputation, went along for a few years denying that this was the way to make wine. But he finally had to succumb too, because marketing needs had changed.

Teiser: What size containers did your wine go out in?

Bacci.: In 50-gallon barrels, yes. Oh, there would be an occasional one who wanted some 15-gallon kegs, or half-barrels, what we called half-barrels, the 25-gallon barrel. But they were most [50-gallon] barrels.

Teiser: Who were your customers?

Bacci.: Now we're talking about this Prohibition period? Our customers represented principally sacramental wine users. They were your principal customers. But then you had a sizable clientele, if not in the same volume as the sacramental wine, that was represented by those houses who had obtained permission from the Prohibition Department to use wine in the manufacture of some non-beverage product or in the processing of some product. And these were houses--for instance, a soup manufacturer was one of them, a tobacco manufacturer was another, who would treat his leaf tobacco. They would dip this leaf into a blend of certain wines and shake the excess moisture off and then put it in what they called a curing room. This was then put on racks and this tobacco in the course of this curing (it was a temperature controlled room and I suppose humidity controlled too) would then improve the flavor of the tobacco. They felt it gave their cigars a certain distinction.

In that period there were some who, for that same purpose, were using cider to cure. And there was one that was using something else that I thought was strange. Now it doesn't come to me. Oh yes, vinegar was the other one. Of course this vinegar would be diluted. The principle there perhaps was just about

Bacci.: the same as the principle used by the other cigar manufacturers, who were using wine. The basic principle would be that of imparting flavor. Oh, some of them used rum in some form too.

So the great problem in that period was actually finding who an eligible purchaser might be. Because you found if--these were called, now it comes to me, these were called "H permits." That's right, "H permits." That was a designation that had been given to it by the Prohibition Department. Now if you asked for a list of the H permittees, then you found you got a list with maybe 10,000 names on it and you had to sort of read between the lines and see if anybody in there might be using something other than alcohol for laboratory purposes. I remember among other names on this list was the IRT, the Interborough Rapid Transit Company, which was the subway and elevated line in the city of New York.

So the job of finding who your eligible buyers might be was a tedious one. One of the ways of doing it would be to go past a delicatessen window or a drugstore and if you saw beef, iron and wine, which was a very common tonic in those days--I suppose it took the place of our present Geritol--beef, iron and wine, and then you'd take a look to see who the manufacturer was and then try to make contact with him and see if you could reach some basis for making a sale. Or in delicatessens you might go looking for wine jelly manufacturers or some non-beverage delicacy prepared with wine. As I say, the large bulk of it went the sacramental route.

Teiser: What types of wines were you handling at that time?

Bacci.: They were all types of wines. Basically I remember in the dry wines, basically in the dry wines it was burgundy, claret, Zinfandel, chablis, sauterne and Riesling. They were basically the dry wines, the table wines. In the dessert wines we ran the whole gamut. It was port, sherry, muscatel, tokay, angelica--angelica was quite a popular type.

Teiser: What was angelica used for?

Bacci.: Well, it was just another sweet wine. I would say that the angelica perhaps later became our white port. But it was a different type of product entirely. It had the

Bacci.: same basic ingredients, same amount of alcohol and about the same sugar percentage. White port was actually an angelica that had been treated to remove some of the color. Angelica had a sort of an amber color, very much like a sherry. But a white port, of course, had gotten to the point where they were looking for it almost colorless. But I don't remember any white port during the Prohibition period at all.

Teiser: What was the proportion of sweet wines to table wines?

Bacci.: During the Prohibition period? Oh, the proportion of sweet wines was far, far, far above the table wine. The table wine represented a very, very small part of it. Even for sacramental purposes, in the Jewish faith, they were used to sweet wines. In the Catholic church they used practically an angelica, so everything was in that direction. And insofar as manufacturing purposes were concerned, only a very limited amount of table wines went into any type of manufacture, you see. So that's what it represented largely, and we really went into the Repeal period in pretty much those same proportions. It was pretty much that.

This is one of the things that I remember in the pre-Prohibition period. Now they, G. Cella & Brother would buy wines from, I remember some of the names now. The R. Martini Wine Company was one of them. Another one was Samuele Sebastiani. That was another one. Another one was the Scatena Wine Company. There was another one there, now it escapes me. But I remember that...

Teiser: R. Martini had nothing to do with Louis Martini?

Bacci.: No. R. Martini had nothing to do with Louis Martini.

Teiser: Was it a California wine company?

Bacci.: Yes. To give you an idea, even in the pre-Prohibition period--now this of course might have been an exception, having in mind that this was a house catering principally to Italians--they would buy wines in barrels in thousands of barrel lots from any one of these three or a combination of the three I have mentioned here, and there may have been one or two others that are not clearly in mind at the moment. They would buy thousands of barrels, and yet to take care of their dessert wine trade, they would buy from the California Wine Association, who had a warehouse in New

Bacci.: York City, five barrels of port or five barrels of sherry. And that would last for an awful long time. So it was a ratio of thousands of barrels to ten barrels. That was just about the ratio of sales at that particular time. It was that wide. Dessert wine was something that actually nobody even thought about.

That may have accounted for the fact that when I received this assignment to supervise, as a kid, this Colonial Grape Products branch operation, I didn't know the difference between a sherry and a muscatel. And I remember I used to send over to the warehouse and call my friend Dick and ask him--he had no labels over there of any kind, we would attach the labels in our little office--and I'd ask him to make sure to mark the corks. So the cork would be marked P for a port and S for a sherry and M for a muscatel. And then I began to taste the two and began to find the difference for myself so that in time I could pick them out without [laughter] having the corks marked.

Well, actually I had been put into the job with no special qualifications except that of a custodian, I suppose. You weren't asked to pass a test where you could prove your knowledge or show your ignorance of wines. There was no such thing as that, just "This is it, Harry." So that's the way the thing started.

PROHIBITION PERIOD PROBLEMS

Teiser: Did you have a pilferage problem?

Bacci.: We didn't have any pilferage in the warehouse. The temptation was always there, of course. But so far as pilferage in the warehouse was concerned, I would say it was absolutely negligible. You had pilferage on the way to the warehouse. That was an old custom. People handling cargo...

Teiser: Did you just figure it out in your whole operation on a percentage?

Bacci.: Well, it was part of the operation. It was always a very difficult thing too. And the way [laughter] the pilfering was done was interesting. One of the ways

Bacci.: in which it was done was to remove a hoop--mind you, remove a hoop--and put a little gimlet hole into the space on the barrel occupied by the hoop, and take the wine out through that little gimlet hole and then plug the hole, and then put the hoop back again, you see, so there were no outward signs of pilferage at all. But although the barrel showed no outward signs of leakage it wasn't full, you see. [Laughter] We would run into that occasionally, but not too frequently. Actually I dare say we ran into it more frequently before Prohibition than we did during Prohibition. There was a certain wariness of being caught handling this forbidden commodity, you see, so it sort of went down the line. So actually I don't remember any real pilferage problem.

Teiser: No hijacking either, I suppose.

Bacci.: No. We never experienced any, and it's my recollection that whatever hijacking took place during that period, it was beer trucks that were hijacked for some reason or other, and trucks carrying alcohol or spirits because even those, you see, could be sold legally to permittees with a very strict control kept over the operation. To give you an idea how strict the control was, I remember one little outfit that we had there, sort of a subsidiary of Cella Brothers-G. Cella & Brother, a little outfit called the R.G. Lyons Company. Their roots were in California; they started here. Well, you've seen these syrups called Lyons-Magnus or something? Well, he was a brother of this Lyons. This one back there was Roger Lyons. I forget the name of this one.

Anyway, in the course of their operation they started to make a product that they were licensed to make by an Italian concern. It was called zabaglione. And in the course of making this they felt they had need for rum, and they bought rum, as a little flavoring, you see. They could go a little farther with rum than they could with Marsala. So the operation bought a case of 24 pints of this rum. One pint was used in this operation and later was found to be either unnecessary or unsatisfactory. So monthly, for a number of years, we were required to file a report of our inventory and use, and would show these 23 pints on hand, 23 pints on hand, 23 pints on hand. And it finally got to the point where we decided there was nothing we could do with it: let's file an application to dump it. You see, you couldn't sell it.

Bacci.: We filed the application, and it was granted, and this inspector came down--I don't know whether I should mention names here. His name was Harriman, and I believe he was a member of the Harriman family, the Averell Harriman family. I don't know how closely related he was, but I remember the story being at the time that he was part of an old railroad family and somehow had gone off in the direction of being a government gauger or government inspector.

So he came down there to this loft where we conducted this little R.G. Lyons operation, checked all the records and then wanted to see the commodities. And I had my man bring out this case. The 23 pints were in there, and he said, "Well, where do we dump it?" So we went over to the sink. And then we set this little box on a drain board, let us say, and he proceeded to take these bottles and started to pour the rum down the sink. My man was standing there with his tongue hanging out, and I'm there with my tongue hanging out--not because I particularly liked rum, but again you see it was that forbidden fruit. And I think he dumped about 15 bottles or something, and I said to him, "Do we really have to dump all of it?" And he said, "Well, that's what we're supposed to do!"

"Don't we accomplish the same thing? Now you've dumped most of it. Now suppose you take two bottles, I'll take two bottles, and we'll give Otto here two bottles." And that's the way the rest of the dumping was done. [Laughter]

Teiser: So somebody had a heart.

Bacci.: Well, he was set on dumping all of it until a way out was shown him, see. He wasn't going to take it himself; it wasn't he and I who were going to take it. But so long as I suppose there were three of us who were accomplices of this crime, we were all safe. [Laughter]

Well, that gives you an idea, Miss Teiser, of the kind of supervision that was exercised over this operation.

There was one period there when actually the supervisory authorities had been rather liberal in the way of issuing the permits for the purchase of sacramental wines, until there a change was made. I think the change took place in Chicago. There must

Bacci.: have been some abuses in Chicago some place, and the first thing you know they stepped up supervision, and the tightening of issuance of permits extended to New York. Well then the business practically came to a dead stop. And they did it in this way: they asked the rabbi to give a list of all the members of his congregation who received wine and on what date and in what quantity. And at that point the thing became a little bit sticky, I suppose. And all of a sudden the business practically came to a stop. The synagogues were just as great for religious purposes as they had been before, but for some reason or other it wasn't quite necessary to have wine. That's the way the thing developed. All of a sudden.

Teiser: What about the Catholic church?

Bacci.: The Catholics? Well, the Catholic church was more stringent, in that the permit had to be issued by the bishop of the diocese, you see. It had to receive his approval first. It didn't have to go through the Prohibition Department; it was the bishop who placed his approval on the priest's application. And the difference I think was due to the difference in the church structure. The one was a hierarchical form of church organization and the other was a very free and loose and easy thing. As a matter of fact, I remember some people who claimed to be rabbis and in later years their own fellow rabbis, would dissociate themselves from them. I remember one in particular. Here I won't mention the name.

This rabbi whom we served during the Prohibition period later went into the wine business after Repeal, and he wanted to buy kosher wine from us, which meant wine that had to be produced under the supervision of a rabbi, at the producing winery. And he wanted to make certain a certain rabbi was there. No, let's see, it was the supervising rabbi who had refused to give his approval, his kosher approval, unless a certain rabbi at the other end--the receiving end--would supervise the operation. Well, I called his attention to the fact that the owner of the receiving winery was a rabbi. I said, "Now why do you need another rabbi? Why add to the cost of the operation?" He said, "You call him a rabbi? He's a chicken killer." [Laughter] You see, apparently they had various degrees of rabbis, and he was one of those who was known as a chicken killer.

PRODUCTS FOR HOME WINE MAKING

Teiser: I wanted to ask you about the concentrates and the grape juice shipped during Prohibition. Did you have experience with them?

Bacci.: Yes, yes. Now there was very little grape juice, actually straight grape juice as such, shipped during the period. Whatever grape juice was shipped was actually reconstituted concentrate. The grape juice would have to be shipped under refrigeration to prevent its fermenting, and you know that under the law (I think we covered that before) it was possible to make wine in the home providing it was not intoxicating in fact. That was one of the restricting elements there. So quite a business developed in the way of shipping. Actually our predecessor company, the California Grape Products Company Ltd. in New York, had actually kept alive all during the Prohibition period by packaging concentrates for the consumer.

Teiser: What sort of packaging was that?

Bacci.: It was a Number 10 can, for the most part. We also put out five-gallon cans. But it was a sealed Number 10 can, and the instructions told you to take this can of concentrate and add three cans of water. It just about reconstituted it to the original juice form, pretty much the same as your orange concentrates today. That's pretty much the form of it today. You know, you buy orange concentrate and you add three containers to the one container of concentrate.

Teiser: Has the technology of making concentrate changed from that day to this?

Bacci.: I wouldn't say to any great extent. I think the methods used are pretty much the same. There are some variations, however. There are some who have added a refinement in the way of retrieving the essences that first come off.

Teiser: That's the same kind of add-back that they do with orange juice?

Bacci.: That's right, that's right. That's done and while it's done to some extent here in California it's done principally with the Concord concentrate. That first essence that comes off, of course, is a very powerful

Bacci.: part of the flavoring components of the juice itself.

Teiser: So in that particular period it was even marketed in tins?

Bacci.: Yes, and the principal marketer was the California Grape Products Company Ltd. under a brand they called Caligrapo, meaning California Grape Products, you see. And it would be available in all types. As a matter of fact, I think some might even have been marketed as "Chateau d'Yquem" or [laughter] any kind of a fanciful name at all. And the home wine user would then take a can of concentrate, put it in a crock, add three cans of water, bring it up to a warm room, and wait for it to ferment. And after that he had a wine.

And some of the results obtained were just absolutely phenomenal. I can give you one example of it, and this one I have mentioned any number of times. To me it illustrates the point. This man Profumo whom I mentioned earlier, who was the manager of the Cella Brothers-G. Cella & Brother, was a very straight-laced individual. Extremely honest, a very devout church-goer, fearful of doing anything that might blemish his name, and while he had lent his supervision to this Colonial Grape Products Company operation, I can say it was never with any great amount of enthusiasm, you see, because he was always fearful that something would happen that would then reflect on him. With the number of regulations that you had to contend with, it wasn't unlikely at all that something could happen. How serious it would be to disclaim any knowledge of it or disclaim any responsibility for it or be able to prove that it was not a willful violation is a moot question. But he was always fearful.

When this little operation went into the idea of handling concentrates, I remember making a little wine in a quart bottle. I put eight ounces of concentrate into this quart bottle and 24 ounces of water, just ordinary sink water, put a piece of cotton in the neck and just waited. We had a little safe in the office, a little old Mosler safe, those little black iron things--and I set this bottle there to ferment. And sure enough in the course of time I found the bubbling had stopped and the wine began to clear and there was still enough gas in it to prevent it from turning sour. I took that and I decanted it into the usual type of sample bottle. The samples we gave out were called in

Bacci.: those days "olive oil sample bottles," if I'm not mistaken. It was a little four-ounce bottle, and it was the usual thing. We used no other bottle for giving samples to people. So I put a little bit of that in it one day and tasted it and I thought, "This tastes awfully good. Let me see if Mr. Profumo thinks so."

So I went in to Mr. Profumo with a glass and I poured a little bit into this glass. I said, "Mr. Profumo, I'd like to get your opinion of this." He went through the motions of smelling it and tasting it and he said, "That's good, very good wine, Harry." I said, "How old is it? How old would you say it is, Mr. Profumo?" He said, "Well, it's not old, it's not old. It's not young either." I said, "Well, how old would you say it is?" "Well, I'd say anywhere between three and four years." And I looked at him and said, "Would it surprise you to know it's three weeks old?" [Laughter]

Now all the results of course weren't that dramatic. There were people who would misuse the product. Their room temperatures were wrong. It would get too cold, the fermentation would get stuck--all kinds of things would happen. But it apparently filled the gap for an awful lot of people for a long period of time.

Now that was one type of operation, selling the concentrate itself. Another type of operation was that of taking the concentrate, reconstituting it in the keg, and shipping it to the home consumer. And that was sold at very fancy prices. Not the price that we realized; we received only a very nominal price. But these were generally sold to a distributor, who had some fanciful name--"Sunshine Vineyards of California," some such thing as that--and we would then make shipments in his name to his own customers. He would pay us the base price.

Well, to give you an idea, the lowest price that I can remember for a five-gallon keg--not what we received but what they sold it for--a five-gallon keg of diluted concentrate, reconstituted grape juice--a five-gallon keg would sell for about \$15 delivered, \$3 a gallon. There were no taxes, nothing in between.

These kegs were equipped with what they called a fermentation bung. It was a little wooden bung, a

Bacci.: little wooden stopper, and it was placed in the head. A hole would be drilled into the head of the keg, and this thing was inserted in it up to a point where a rubber band--let me see if I can give you a description of it; you can't draw a picture in your interview--it actually was a little cylindrical bung. Down from the top of it a little ridge had been cut around the circumference, over which ridge a rubber band was placed. Now through the length of the cylinder a hole was partially drilled, and this met holes that were around this little ridge. So when the product would ferment the gas would be given off and expand the rubber band, and as the gases subsided then of course the rubber band would form a closure, you see. And that was a very common thing. The only trouble with it was this: that sometimes these little holes--they were very small holes, might have been 1/16th of an inch in diameter--some of these little holes would become plugged up with the grape juice, in which case if the room was good and warm the keg would explode. [Laughter]

But there was a tremendous amount of business of that kind done, and that type of operation, that type of sale of reconstituted grape juice was for the most part done with the first families of the nation. And actually you'll find that these distributors would go looking for doctors, dentists, lawyers, engineers, stock brokers--that's the kind of people they sold this product to. And so far as the department was concerned, the Prohibition Department was concerned, so long as the end product was not intoxicating in fact, which is a rather difficult thing to prove, it was apparently all right.

Where some of these fellows would get themselves into trouble would be when they would claim, for instance, in their enthusiasm to make a sale, they would tell the fellow how high he could get, for instance, if he waited for it to ferment out, you know. I know of one instance where the fellow making the sale made the sale to a Prohibition agent. The fellow making the sale was a few sheets to the wind when he made the sale, and when the agent asked him, "Will this develop a kick?" he said, "Well, look at me." [Laughter]

Well, that was a great period. It was a great period certainly in the history of the wine industry of the country, and it was certainly a great period in the

Bacci.: history of the country because I can't think of anything being more idiotic than that attempt at what was described by President Hoover as a "noble experiment." It was just unbelievable, the things that were done and the attempts that were made to protect the public from this horrible alcoholic beverage. It was just unbelievable. As I look back sometimes I still shake my head in disbelief. I can't get myself to believe that I lived through that kind of a period. I get the same feeling, for instance, Miss Teiser, when I watch TV and watch the things that have to do with the rise of Hitler and the atrocities that he committed, and I cannot get myself to believe that as an adult I lived through that period and didn't have the same sense of revulsion that I have now. But it's true. It was there, but I don't remember having sensed it at the time, you see.

POST-REPEAL CONDITIONS

Teiser: At the time of Repeal, what happened? How did that change your occupational problems?

Bacci.: Well, at the time of Repeal the first thing that happened was that the laws that were written in the various states were at complete variance with our idea as to how wines should be sold and distributed. To begin with, we had not experienced that kind of individual state control, and no two states having the same rules and regulations, and state monopolies and the restriction in many states, including the state of New York where we were situated, of not being able to sell to the consumer in anything larger than a 15-gallon container. That 15 gallons was written in there as a compromise with those who were advocating going entirely in bottles. They, of course, were aided and abetted by the control authorities themselves who felt that the free and easy distribution of wine to the consumer in bulk containers would make control much more difficult than it would be in a small container. And you had certain members of the industry who, for reasons of their own, felt that that was the way to go, too. So all of a sudden we found ourselves having to face an entirely new type of operation.

We attempted on a small scale to do a little bottling for distribution principally to wholesalers.

Bacci.: But our business continued to be that principally of distributing in bulk. In the state of New York you couldn't sell even a so-called wholesaler anything larger than a 15-gallon container. And of course that would make it impossible for him to bottle. No dealer would buy a 15-gallon container to bottle from.

The sale of wine in 50-gallon containers was limited to winery licensees in the state of New York to which they, for some reason or other, had given the classification of "DW." It was supposed to stand for "distillers of wine," mind you. They had no distilling operations at all. They had merely little places where most of them intended to bottle. Later, by some interpretation given to the law, they were not permitted to bottle. They were told that in order to bottle they had to produce. And that was a long fight I found myself involved in in 1935, when we finally succeeded in getting an Attorney General's ruling which still has the full force and effect of law in the state of New York, and in which he decided that the act of blending wines also constituted manufacture and that you didn't have to actually crush grapes. My argument at the time--and I was in the forefront of it, and I had gone to the Attorney General. As a matter of fact I remember doing it against the wishes of a group with which I was associated. This was a group of representatives of California wine producers who seemed to find it to their interest to restrict the number of people who could bottle. They felt that they wanted the bottling operation limited to themselves. So when I got that feeling from them, I told them, "Well, if we're not going to do it together, I'm going to do it on my own. And I will tell you that I'm going to do it, and I'm going to do everything I can to get this ruling."

I then found it possible to become affiliated with an organization of wholesalers who had an interest in doing bottling, called the New York Institute of Wine and Spirits Distributors, I think it was called. And it was through them that we prepared a sort of a brief and circulated it amongst members of the industry and had them sign. And that became the opening wedge to obtain the ruling. And, incidentally, the ruling was over the "dead body" of the Commissioner of Alcoholic Beverage Control of New York State, who was a former police commissioner, and before that a police sergeant in his youth--a man by the name of Edward P.

Bacci.: Mulrooney, who was I believe the very first New York State Commissioner of Alcoholic Beverage Control.

We contended in the brief that if I take the wines of producer B and I blend these two wines, that the resulting product is neither the product of manufacture of producer A, nor the product of manufacture of producer B, but it is my product at this point. Now then you've started to play around with words. And by the time we got through they bought the whole thing, the whole package. And to this day, whatever bottling is done in the state of New York by other than wine producers, that is those who crush and ferment wine, is done as the result of that ruling. And I don't know how many times in the course of my being there when-- we were operating both a bottling plant and selling wine in bulk, and wines all came from California from our parent plant--some inspector would come along and he'd say, "Well, where are your crushing facilities?"

And we'd say, "Well, we don't crush here." "What do you mean you don't crush?" he would say. "You can't have a license then." And I'd say, "Well, why not?" "Well, because you don't crush. You have to produce wine." I'd ask, "Well, are you familiar with the Attorney General's ruling?" "No." And I always had it in a very handy place and out would come the ruling and I'd show it to him and he'd read it and say, "Well, why don't they tell us this?" "I don't know. Don't tell me; you'd better go up and ask them."

So it was one of those things that for some reason or other was always kept in a hidden drawer in the Alcoholic Beverage Control Department where even the members of the enforcement personnel were not given the opportunity of familiarizing themselves with it and would go out making asses of themselves making requests of people that were contrary to the law itself, by reason of the Attorney General's interpretation of it.

Teiser: Did this have implications with regard to the sale of California wines in New York particularly then?

Bacci.: Oh, yes! Oh, yes, because California wines were the ones that were basically affected by it, you see. And mind you, in that period the distribution of California wines in bottles was not as widespread as it is today. Now this ruling took place in 1935. Now you take the great Gallo organization. They didn't go the bottle route until about 1941, six years later. Up to that

Bacci.: time we were engaged in the sale of wines in bulk, and to whom? To the very people who would then bottle it themselves if they were permitted to bottle it, you see. Had they been stopped from bottling it, there wouldn't have been anything to take its place at the time. The industry since then, of course, has developed to the point where most of the major organizations market almost entirely in bottle rather than in bulk.

Teiser: How did your organization happen to stay all these years in bulk for the most part?

Bacci.: Well, I suppose because of the type of bulk operation we conducted over the years. To begin with, we had the good fortune of affiliating ourselves with some of the top wine houses in the country, with people who appreciated quality and with people who appreciated reliability and dependability. When the great shortage came along in 1944 and 1945 [they] found that California Grape Products continued to supply its customers when others found it more convenient to take whatever they had in the way of inventory and put it in bottles. And of course other competitors have developed since of a different kind.

But I think the answer to your question, Miss Teiser, would be: actually I think it's due in large part to the type of trade that we established for ourselves. When I tell you that we have on our books today people whom we've been serving for 33 years, people whom we've been serving for 20 and 25 years. And with some of those, we represent their sole source of California wine supply. Now there must be some reason for it. Perhaps the answer to the question might better be given by the customer rather than by me. [Laughter]

Teiser: Does a large percentage of your wine go East now?

Bacci.: Yes.

Teiser: To be bottled, in the East?

Bacci.: It's either bottled or blended. It's used to blend the wines produced in other areas, to get a flavor reaction that meets the needs of their trade.

PRICE FLUCTUATIONS AND STABILIZATION PLANS

Bacci.: The bulk end has not always been the most profitable end of the wine business. At times it's been a rather difficult one, because you have in bulk wine a peculiar sort of commodity in that it fluctuates wildly in sales value. I guess the best way to illustrate it is 1946. In 1946, at vintage time in the fall, wines were being sold at \$1.40 a gallon. By June of 1947 those same wines were being sold at 40 cents a gallon--six months later.

Now the man who had developed brand identity didn't suffer that change to quite the same extent as did the man who was supplying wines in bulk, you see. We went over this 1946 period when, due to the restrictions placed upon the use of anything that might be used in foodstuffs for the manufacture of alcohol, grapes were bid to fantastically high prices. In February of '47 I went out on what I've always looked upon as one of my first speaking engagements in behalf of the industry. I was asked if I would go to New Orleans where the Wines and Spirits Wholesalers of America were meeting. And I went there to make a pitch for wines as part of a panel. And there I met some of our customers, and there I met one who tried to grab me by the lapel. Up to that time people grabbed me by the lapel to make certain they would get some supply from me, but I ran into an entirely new set of conditions here.

I was still at the convention when one came over to me and said, "Did you hear that so-and-so is offering wines at \$1.25?" From \$1.40 to \$1.25. Now bulk wine doesn't permit that kind of a margin. There's no room in there for it. I said, "No, I haven't. It can't be." Well, before I left New Orleans I found the price was \$1.15--this was after three days, mind you. I went from there to Chicago, and in Chicago I was told that the price had dropped to \$1. This in just a matter of days--\$1. And I then went off to Buffalo, I remember, and there I found that the price was 75 cents. And by the time June 30th, 1947, came around, we found it necessary to mark down our tremendous inventory to what was then the going price, and I don't think we had the courage to go all the way because of the effect it would have on our statement. But as I recall it went down to somewhere around 50 cents. This was just in a matter of a very, very short period of time.

Bacci.: All of this was due largely to an oversupply having been created at fantastically high grape prices, due to errors in judgement that were made as to what the demand for this product would be on the market. And that was the history of 1947. It was just a disastrous year for anybody who had any inventory of wines at all. And the unfortunate part of it is that the errors in judgement that dragged the rest of us along with them were made in pretty high places. They were not made by little nobodies. These were people who had almost unlimited resources, unlimited money to make purchases with, and they just bid the price of grapes up to a point where, I remember I had stopped buying at \$100 a ton. I said, "We've got enough now at \$100 a ton. We're not going to gamble any more than that." And that then went, as I remember it, to as high as \$125 a ton. And, mind you, at \$125 a ton what they were buying were the lowliest type of grapes that might have been suitable only for distilling material, and yet they were bidding them up to \$125 a ton.

Teiser: So then it was the growers...

Bacci.: Well, no, not the growers. Actually it was the purchaser of the growers' grapes, because the grower had gotten his \$125 and he went home to sleep. The fellow who bought it from him then had to sweat it out for just as long as he had any of that inventory on hand, you see.

Teiser: So it was the buyer's decision that made it go so high?

Bacci.: That's right.

Teiser: And the growers got what they could.

Bacci.: That's right.

Teiser: Was this the Rosenstiel maneuver? Others have discussed it.

Bacci.: Yes.

Teiser: The whole problem of price stabilization in the industry has been...

Bacci.: It's been a very difficult one, because of the diversified nature of the industry. You see, you have engaged in

Bacci.: the wine industry people who own vineyards, who grow their own grapes; people who don't grow any grapes; people who grow part of their grapes. You have cooperatives in it, where the cooperative itself, of course, doesn't grow any grapes but its members do. So you have this complex kind of a situation, and the development of any kind of a stabilization plan, it's been proved over the years (and I've been involved in many of them), will last just as long as the immediate emergency seems to have been settled, and at that point they want to revert to this great theory and philosophy of rugged individualism. And then get themselves into another mess and then go looking for another program to dig them out of the hole again.

And that program will last again for just so long as people begin to feel just a little bit more comfortable; then at that point you find that again they want to revert to the old, and they begin bickering over the extent to which one member of the industry may be benefitted to a greater extent than another by this particular program. And human nature comes into play. And that's been the history of it right from the very beginning.

That grape crush program that we established, I think it was 1961 or '62, somewhere in there...

Teiser: That was called the set-aside program?

Bacci.: That was the set-aside program. That program came into being largely as the result of tremendous wine inventories and fear that these wine inventories would just crush everybody and that unless they were disposed of in some orderly way, that unless some limitations were placed upon these inventories, everybody would go down the drain with everyone else. And that program came into being in 1961, and while there was a certain amount of opposition to it, it came into being with a feeling that it was going to work. And it did work. It did work, at least to the extent these inventories actually increased in value and everybody holding inventory benefited from them. The growers themselves benefited to the extent that their grapes, in the subsequent season, were sold at a much more favorable price than they otherwise would have been.

But then people began to think in terms of what the cost of the program was. It was \$12 a ton they were paying for the processing of the set-aside, and

Bacci.: the grower was supposed to pay that. He looked upon that as being an imposition, and I kept trying to tell them, "This \$12 a tone is the insurance premium you are paying to make certain that you get \$40 per ton net. And without the payment of some kind of an insurance you're not going to be able to get the \$40 a ton." Well, sure enough, they allowed the program to die and no sooner dead than bingo! they went right back to where they were before.

And, as a matter of fact, we found that people who had supported the program when it first came into being felt unduly restricted. And they became opponents at that point. The campaign for the renewal of that marketing order became a very bitter one, and it wound up in the program not receiving the necessary number of assents, and died.

Teiser: What year did it die in?

Bacci.: I think it died in 1963. And as I remember the '63 season, it was the very kind of a year that the program would have helped an awful lot of people who suffered a lot of hardship. Now no one looks upon any kind of regimentation, under any kind of a program or under any kind of control or restriction, with any great amount of enthusiasm. But when it becomes the choice, as seems so apparent so frequently--when it becomes the choice between not being regimented and starving, and being regimented and eking out an existence, I don't have too much difficulty in coming to a conclusion as to which direction I should go as a businessman. But some people look upon these things differently.

Teiser: Haven't there been other similar programs?

Bacci.: The cling peach growers, of course, are in a program, and the pear growers. They've had successful programs. The Raisin Bargaining Association came into being to provide a means for raisin growers to bargain with the processors for the price of their commodity. It has had two successful years, and there is under discussion at the present time, in just its most initial stages, a program for growers of the grapes that go to the wineries to give some thought to the formation of a bargaining association, rather than to leave each grower to his own mercy and his own ability to negotiate a favorable deal with a purchaser of grapes. And it is coming. I feel confident that it's coming.

Bacci.: Now how long lasting it will be is a question that I always have in the back of my mind, and it has to do with almost any program, based upon past experience. Oh, there were some other programs. There was one called a grape stabilization marketing order; I don't remember the name of that one. That was one that didn't provide set-aside but you were practically given quotas as to how much of your inventory you could sell. That had a successful year or two, and under that we were paying assessments. They were not spent; they were supposed to go into a stabilization fund of some kind that would then be used for the purchase of surpluses. They went into the fund, under the custody of the state. But when that fund began to build up to sizable proportions, the very people who contributed toward the fund thought they could make better use of the money, so they discontinued the program in order that they could receive refunds of the contributions they had made.

Teiser: When was that? '50's?

Bacci.: That was in the '50's someplace.

RECENT MARKETING ORDERS

Bacci.: Then most recently, another program, a State Marketing Order program. This is the one that was known as the "Grape Products Marketing Order." That was one under which a prima facie cost was established under the program, as a result of a survey made by the state, and you were not permitted to sell your bulk wines for less than that price. Well, of course, it wasn't long before you began to find that those who were buying had no enthusiasm for a program that caused them to purchase their wines at a higher price. So they became vigorous opponents. And then you had the usual jealousies and suspicions amongst industry members. If they weren't doing too much business, they were certain that somebody else was stealing all of the business at a price less than the prima facie price that had been fixed.

Then we had a change in politics in the state. The program had come into being under one Director of Agriculture, and he was succeeded by another of the

Bacci.: opposing political faith whose own basic convictions were opposed apparently to these kinds of programs and he never showed too great enthusiasm for it. And the next thing you know the National Association of Wine Bottlers, who were the principal buyers of wines outside of the state--not in the state--they contested the order. In fact it went to the Court of Appeals. Anyway between one argument and the other, last April when it came up for assent it failed to receive the necessary amount of assents, by a very, very small percentage, but it was enough to defeat the order. And so we're back to each of us doing business individually, perfectly free to sell at a low price if we want to, so long as we don't do it "for the purpose of injuring a competitor." Now how are you going to sell below cost without that being your purpose? [Laughter] That's your story of these marketing orders.

Teiser: It's surprising the industry survived.

Bacci.: Yes, right. Well, you see, an industry that finds itself in difficulties--any industry, I assume, perhaps it is more true of agricultural industries where they feel they have greater liberties under the federal law to engage in certain types of cooperative activities--it's perfectly natural for them, in moments of distress, to reach out and seek out some kind of help somewhere along the line, and it's always some kind of an authority that you have to look to, whether it be state or federal, because these programs, if they were left entirely on a voluntary basis, would fail miserably.

A program that we have today, take the Wine Advisory Board program as an example. If people were to contribute voluntarily to a fund to accomplish all the things the Wine Advisory Board has accomplished, that program would have died years ago, because it gets to the point where people resent being singled out to make contributions when the guy next door isn't holding up his share. That's one of the reasons why this program in this country, and in California, has been so eminently successful, whereas similar programs, patterned somewhat after that in England, for instance, have either failed or are in the process of failing, because of having been on a voluntary basis.

(Interview with Harry Baccigaluppi, San Francisco,
February 27, 1969)

Bacci.: In April of 1961, the National Association of Wine Bottlers held its convention in San Francisco. Although not a member, I had arranged to attend the luncheon on the first day of that meeting.

Arriving early, their business session was still in progress and I heard their President Mr. Al Furman of Richmond, Virginia, tell his members that he, too, had heard the rumors with respect to there being under discussion a Federal Marketing Order.

He added that the National Association of Wine Bottlers had not been consulted but he had been assured that the wine bottlers would not be affected by the order.

At the luncheon which followed I was asked to say a few words. Having long enjoyed the patronage and friendship of many members of this group, I felt that I owed it to them to present the picture exactly as I saw it.

After greeting and bidding them welcome, I remember having said something to them substantially as follows:

"This morning I heard your president report to you that the rumors of a new Marketing Order being under discussion are true. He went on to tell you that he was uninformed as to the details of what such an order might contain, but that he had been given assurances that wine bottlers would not be affected by it.

"Having no knowledge whatsoever of what has been under discussion, I cannot say to you that in my opinion you will or will not be affected by it. All that I can assure you of is that Marketing Orders come into being only when those who are directly involved are dissatisfied with conditions as they are and with the returns they are receiving. Stated differently, this means that there is no point in going through the agonizing efforts of developing a Marketing Order unless it gives assurances of bringing better returns and that means higher prices.

Bacci.: "While I have the opportunity, I want to tell you how vulnerable I believe you to be as individuals and as an organized group. You are vulnerable first because the prices at which you have been buying are leaving you little or no room for profit and; secondly, you are vulnerable in that the price at which you are buying brings no profit to the man who is selling it to you, so that your source is also vulnerable. For the life of me I don't know how anybody can be any more vulnerable under this double set of conditions."

They all sat there sort of stunned from having somebody give it to them so straight from the shoulder.

When the luncheon was over, one of the group came over to me and he said, "You've joined the other group."

I said, "What group, Tony?" "Well, the other group--the other group."

I said, "Well, there is no other group, Tony. We are all in this pool together and it's either sink or swim. All I was trying to do was to call your attention to a condition which if you had not realized it before, you had better realize soon. You're buying a commodity at less than the fellow who is selling it to you can afford to sell it to you for and you, in turn, are selling it to your trade for a price that you can't afford to sell it at."

In August of that year--1961--the Grape Crush Marketing Order became a reality. Almost overnight all dessert wines which had been selling at 47-1/2 cents and below went to 75 cents.

Mr. A. Setrakian was made chairman of the governing groups under that order and I served as vice-chairman throughout its life.

In July, 1963, another referendum was held under the Order and after a very bitter fight failed to obtain the necessary number of assents. It officially terminated on June 30, 1964.

I don't think I made any friends at all on that day of the Wine Bottlers Convention. Yet if the same group were to meet under the same set of circumstances and I felt inclined to be as honest with them now as I did then, I wouldn't have anything else to say to them than that. And it's true, it's true. There's no



Loading grapes into gondolas at the Italian Vineyard Company, Cuastí, in the 1930's.
Photograph courtesy of Harry Baccigaluppi.

Bacci.: question about it.

And that's one of the things that you have to contend with on all these marketing orders or stabilization orders of any kind. There's only one basic objective, regardless of the route that is taken to reach that objective. And the one objective is that of increasing the returns. They begin to discuss marketing orders only when conditions become distressed. They never do at times when they're prospering. What they're trying to do is get themselves out of a hole. And when that happens somebody has to be affected in the way of paying higher prices, and that's the thing that you're caught with all the time because the fellow who has to pay higher prices raises objections to paying any higher prices than he would have to pay in a freer economy without giving any thought to the fact that the fellow who is being forced to sell at less than profitable prices, his day on earth is limited. He is not going to be around for long, because he just can't afford to continue engaging in a business where there are no profit possibilities--where he's constantly losing.

ITALIAN VINEYARD COMPANY EVENTS

Teiser: You came to California in 1943?

Bacci.: 1943, yes.

Teiser: What was the immediate cause?

Bacci.: Well, the reason for it was this. Mr. Lanza had negotiated for the acquisition of the Italian Vineyard Company. In fact he called me and asked me to come out in the month of July and take a ride out to Guastini with him. I met him in Los Angeles. I really thought that I was going out there to make an inspection of these properties, only to find after I got out there that I was brought into the office and introduced, and sat there. The first thing you know Mr. Lanza disappeared, and I assumed that he would be coming back later and I would have an opportunity to pass judgement on this acquisition, only to have him come back and say, "Harry, all right, ready, let's go." And I said, "Where are we going?" He said, "Oh, back

Bacci.: to Los Angeles. We're all through here." And I thought, why did I come out here in the first place? And I remember asking permission to at least take a look at this fabulous executive residence I had heard about, you see, and took a running tour through it and even got lost in the operation. And then came out and we went back to Los Angeles.

That was in the month of July, it seems to me. But by that time his negotiations had progressed and had been completed and later I came out temporarily, I think it was about the first of November in '43. We were then to take possession. And I was made the vice-president and the general manager of the operation.

Teiser: Did Mr. Lanza often work ahead of giving out information on what he was doing?

Bacci.: I don't know that he would be working ahead, but he always had such a fertile mind and such a dynamic personality that you found that you were being consulted but you weren't ever too sure that you were being listened to, you see. But at least you had the benefit of having been consulted.

But there was no consultation, I can assure you, as to whether he should or should not acquire this entity.

Teiser: He just brought you out to look at it?

Bacci.: To look at it, right. And then I later became the vice-president and the general manager of it, and we took off at that point. And I can say honestly that I look upon my brief period there as perhaps one of the most challenging periods in my entire career in this industry, and one of the most gratifying and satisfying. And I have never felt, in all modesty, that it was due to any special talent of mine other than to recognize that things were wrong and ought to be corrected. As we stepped into that thing we found that actually you couldn't possibly have found a business that had operated in a more disorganized fashion.

We found that employee relations were just about at the lowest point possible. Customer relations weren't too bad, because actually you were in the position of being the supplier of a commodity that was in short supply, so customers were all very nice. But community

Bacci.: relations were horrible, stockholder relations were unsatisfactory, and it was just a mess--that's the best way you could describe it.

And in a short time, just by being a human being, by reacting or thinking of people reacting to certain sets of facts in the same way you would react yourself, changes were brought about. And, as I say, it was the most gratifying thing to see this thing in a period of a very, very few months just make a complete flopper and to the point where actually we were the most highly regarded people in the community. Our relations in the community couldn't have been better. The relations with our employees were just magnificent. In fact the people in the community just looked at this operation almost with awe, wondering what could have happened so fast. But, as I say, when you start with a situation so bad, you don't have to be a genius to change it.

I remember the first stockholders meeting, which of course included a lot of the old stockholders of the old Italian Vineyard Company, you see. I remember those annual stockholder meetings were always made an occasion for quite a celebration in the past, and we continued that tradition, which included having a big lunch at the executive residence where they had unlimited facilities. You could seat, in that dining room, 75 or 80 people, it seems to me, at a great big table.

Teiser: Did you live in that residence while you were there?

Bacci.: I lived there for a short period of time, for a very short period of time, and then rented a home in Upland.

I remember that first stockholders meeting. I remember I was to present the annual report. And I remember saying to them that I wanted to assure them in the presentation of this report that I accepted no particular credit for it because under the existing marketing conditions any donkey could have done equally as well. They were all amused at that, but to the old stockholders this was a completely different kind of an operation. They were getting dividends in amounts that were just unheard of before. Our employees...

Teiser: How many stockholders had you then?

Bacci.: I forget exactly how many stockholders we had.

Teiser: Were there closer to 100 or 20?

Bacci.: I'd say there were closer to 20 than 100. But, you see, these old stockholders were all people who were amongst the original stockholders of the company, who had been actually partners with Secondo Guasti in the development of this company but had never reaped the benefits. They had something there that they pointed to with pride, but they had never reaped any financial benefits from it until we came into the picture, and then money really started to flow, because we had an entirely different concept of how to run this operation.

I remember, this one has to do with employee relations that actually shook me emotionally. Now, let's see. We came in there in late '43. In '44, at Christmas time, I was just wondering: now what can we do to show our employees our appreciation for what they've done? I found that there were limitations imposed by the federal government. You see, at that time there were wage freezes. There were even freezes on any Christmas gifts that you might give, unless you had traditionally given them. And there was no record of ever having given any Christmas gifts. But they did have one exception.

They said if you didn't have a record of making gifts, you could give a maximum of \$25, and that didn't seem to set right with me, until I hit upon the idea that I was going to give every employee who had been in the service of the company for at least one year a \$25 war bond, feeling first that it would give them something they never had before, it would give them a stake in an effort that was a national effort that perhaps might encourage them to buy more bonds on their own. But in addition to that I thought rather than giving them cash I was giving them something that for just so long as they held it preserved our company's identity. They would remember where it came from.

So Christmas eve came, and I remember that among other things I wanted to do was to have a celebration. We were going to have a Christmas party, so to speak. And I had called in the vineyard superintendent, what was his name--oh, Fred Signorio--who was a picture-book image of what a vineyard superintendent should look like: tall, handsome, had been around there, practically born on that vineyard, his father had been one of the original stockholders there. I talked to Fred and said,

Bacci.: "Fred, this is what I'm thinking. We want to give a Christmas party here, and I want everybody to attend." He said, "Oh, we can't do that. We can't handle that." I said, "Well, why not?" He said, "Because the whites and the Mexicans just don't get along." I said, "Why not?" I couldn't understand this. I couldn't understand why people of different ethnic groups couldn't get along, to the point at least where you couldn't have a big luncheon or a big party for them.

He said, "Well, they get drunk." I said, "Who?" He said, "The Mexicans." I said, "Don't the whites?" He said, "Not quite as fast." I said, "Look, Fred. If that's the only question, if that's the only reason, we're going to have a party. And you are going to run it. We're going to pay all the expenses connected with it. You arrange it, you set it up, and it's going to be you and Pat Goodrich," another man who was the assistant winery superintendent. We had almost 5,000 acres of vineyard there. It was known as the world's largest vineyard.

Teiser: Was Signorio Mexican?

Bacci.: He was of Italian background.

So we hold this party. And I put Fred and this other man in a position where I said to them, "Look, this party will last for just as long as you say it should. Remember, the responsibility for it is yours." We started about one o'clock or 12 o'clock, I forget what it was, but to me the whole thing was emotionally disturbing to the point where when the thing was all over I went home and went to bed and stayed in bed all Christmas day. It was a combination of joy and tension, because the thing had worked out so well.

First the men came in from the field. These Mexicans came in from the field with their long pruning shears stuck in their pockets or their little holder they had here. They sat on one side of the room, and the whites were on the other side of the room. So again, you see, we were not accomplishing what we wanted.

The women had gone all out in preparing for the party. We even had a bakery on the premises that had been established there many years before by the founders of the Italian Vineyard Company. This was a sort of a self-contained little community there. And they barbecued a steer in this little bakery, and the women

Bacci.: had prepared salads and all kinds of things, and we had wine in just unlimited quantities. They just went to a table and helped themselves.

Well, the thing just wasn't jelling in the way that I wanted it to jell, and then I thought, well, let's get them singing. I've always been a great believer in song, in community song as an element for bringing people together. And my theory has always been that at least for the period they're singing they have to be together. They have to be together. They may not think alike, they may not live alike, they may not completely like each other. But if they're going to sing together, during the time it takes to do this singing they're going to feel as one. So there was a young lady there who had a good voice, and I asked her if there was anybody in the Mexican colony who could sing well, and she said yes. Well, I had the white girl, who also spoke Mexican, had her sing "Silent Night, Holy Night" in Mexican. And the Mexican girl, I had her sing "Silent Night, Holy Night" in English. And that started the thing going.

And then we also had some of the government gaugers there, and I found that they were sort of humming along. They were in constant attendance at this plant, of course. I found that they were sort of humming along while this singing was going on, and so I had them form a quartet, and they started singing. Well, this thing just blossomed. This thing just blossomed!

And I just watched the operation, greeted everybody. Well, I don't know how long we went. It must have been until around four o'clock when Fred came over to me and said, "I think this is it." He said, "How are you going to stop it?" I said, "Leave it to me. I'll stop it." It couldn't have been two minutes later when Pat Goodrich came over to me and said, "This is it, I think. I think we've gone far enough." They had begun to see signs of some people getting just a little bit boisterous and feared it might lead to trouble, based upon their past experience.

So with that, Miss Teiser, I had taken a wastebasket--that's all I had--a wastebasket--and there was a piece of Christmas paper around there, and I put this Christmas paper over the top of this wastebasket. In the wastebasket I put all the war bonds, made out to each of them individually, and had a ribbon tied around it and just stood on one of the benches. And we

Bacci.: had some music there too. I asked them to play some kind of a fanfare, and I got up onto the bench and greeted them and told them how happy I was to have them all here today and we didn't want to be selfish, we knew that this was a day of great festivity in their individual homes, we knew they wanted to get home to their families, and we were going to let them go. But not until we've had a chance to present something to them that Santa Claus had just delivered this morning.

So I punched a hole in this paper and started calling out names. And that was the emotional part of it, because here were men, especially amongst the Mexicans, who had never been anything but a number on the payroll there, and found themselves being called by name by the boss. They'd come up and I'd present the bond and shake hands with them. You don't have any idea what that did for that colony. You have no idea what it meant to that colony. It just took that Mexican colony, that was just a segregated group, and-- I remember walking down the street after that and somebody would come up to me and say, "Mr. Boss, Signor Boss, my name Ramiro. Remember? My name Ramiro." They felt as though they were part of the community.

The end result of it was--it was a period when there was a great amount of proselyting, I suppose that's what they call it, where farmers were stealing each other's employees by offering them a higher rate of pay--we suffered none at all. We had just about the most loyal group that you could possibly have any place.

And I've always felt that it must have been one of the things that contributed greatly to the interest developed by Garrett in acquiring this facility. It was a matter of fact that, after they decided to acquire it, they too began to sense a sort of cleavage developing in their personnel; they found, for instance, that the people who had been in the employ of Garrett and in the employ of the Italian Vineyard Company just didn't see eye to eye, because when these negotiations were going on stories started to circulate that the Garretts don't like Mexicans and the Garretts don't like Italians. I forget the details.

And I remember they decided to give a dinner one night after they had acquired it, a dinner for all of their employees. And they selected as the site for this dinner a little inn on the property of the Italian

Bacci.: Vineyard Company. It was called the Guasti Inn. It was run by a lady, a Mrs. Pertusati and her daughter, and it was very well known in that area. It had been there for years, and they served very good food.

Anyway these tables were set up, you know in a U shape, and everybody from both companies had been invited. The management personnel of Garrett were up at the head table. I elected to sit with the hoi poloi. Mr. Roy Weller, whose name you've gotten in Mr. Lanza's interview, came down and said, "Harry, we want you to sit with us up here." I said, "No, Roy, it won't accomplish the purpose that you want, that you have in mind. Let me sit here." These people had lined up at the table with all of the Italian Vineyard group on one side and all of the Garrett group on the other side. It was just the complete opposite of what they had hoped to accomplish.

Well, we get down to just about the dessert part of it and of course wine is flowing very freely. Mr. Weller comes down again and says, "Harry, this thing is falling flat on its face. Can you do anything to pull it together?" I said I'd try. So I asked him, I said, "When you get back there, have whoever was acting chairman or whatnot, tell him that you'd like to call on me, the former manager of the Italian Vineyard Company, to say a few words."

So I got up to the front, expressed a few words of greeting, told them how glad I was to have been included in the group, and said, "But I'm not here to make any speeches. You've heard me talk before. But I have a purpose in coming up here," I said. "What the Garrett people don't know is that we have some wonderful voices around here." I said, "Now you"--I called a Garrett man, in fact it was the superintendent of the vineyards of Garrett, and I called the superintendent of the vineyards of the Italian Vineyard Company, and I think we got either four or five of them up there, and I started them singing.

And again, the thing just exploded. The problem they had after that was getting the people to go home. And that was the turning point there in their relations with their employees. As I say, just the application of just a few techniques, just as one human being would, well, a human being who feels that every other human being is his friend and you treat him as a friend. If Mr. Weller were still alive, I'm sure he'd corroborate

Bacci.: every word of it, because he was just at his wits end. He just didn't know what to do, because they didn't know what kind of a situation they were stepping into, because you must remember that with a freeze on labor, and he was taking over a 5,000 acre vineyard, having good employee relations was all important. I have reason to believe that they took off from that point. I have reason to believe that their relations with their employees after that were inspired by just that little bit of a start. I have no recollection of ever hearing of any trouble that they had after that. Even to the point I heard later that when the daughter of the Italian Vineyards superintendent, who was still in their employ, was married, they turned over the big executive residence to them for their reception. And there was again, you see, that same feeling of bringing everybody together.

As I say to you, the night of that Christmas party I just went home just completely shot. It wasn't a matter of displeasure at all, just the tensions that surrounded this new experiment here, after having been discouraged by everybody from even trying it because it had been tried before and didn't work, and analyzing why it may not have worked, and finally it was just a question of keeping a close eye on the operation and making sure that you stop it before anything gets out of hand. And we've followed that same technique since.

We used to hold vineyard celebrations after that at the California Grape Products in Delano up to some years ago, where we invited everybody in the community. I think the last time we held it we had 600 people there at Delano. And this was whites and Mexicans together. Yes, I remember the last party we had, we had about 600 of them. The thing began to get out of hand after awhile, because we would invite not only our employees but all of their relations, and their kids would come and they'd find some long-lost relations who lived 140 miles away and they came too for the free food and free wine. And I remember that at this last one we had--I had been the toastmaster at all of these things--and I remember the last one in particular. Somewhere or other--I think I had seen a theater marquee. There was a Walt Disney picture playing--yes, I remember it: "Saludos Amigos." I remember seeing that someplace, and it rang a bell with me. And the way we opened up this speaking part of this program--it was very brief, just a few words from me and a few words from Mr. Lanza.

Bacci.: But I opened it up by getting the crowd to cooperate with me, and I said, "Now let's all get better acquainted. I'm going to shout here over the microphone, 'Saludos Amigos', and I want all of you to respond, 'Hi, neighbor!' And then I'm going to say, 'Hi, neighbor!' and you're going to respond, 'Saludos Amigos.'" And the whole thing just caught fire!

I remember a reporter from the Fresno Bee coming over when the thing was over, coming over to say, "I want you to know I have lived in this valley all of my life. I have never seen this kind of a public relations effort tried and be so successful." It was just a question of getting people to feel they're a part of the deal.

And I remember that after dancing started, Mrs. Lanza, God bless her memory, was a very prim lady-like person, very proper, and the Mexicans thought nothing of coming up to her at this party and asking her to dance. [Laughter]

Teiser: How long were you at Italian Vineyard Company there?

Bacci.: As I say, I came there just on a trip from New York on the first of November, 1943. On the first of December I came back and had moved there by that time with my wife and children. We sold the plant, I think it was in April, 1945.* The managing heads of the Italian Vineyard Company tried to induce me to stay and continue in the operation, but I told them I couldn't do it, that my loyalties were with Mr. Lanza, my relationships were very close. I didn't mean anything personal with them; I'm sure it would be equally as close. But I said I couldn't leave an old friend for a new one. And then they asked me, would I please stay on, at least until they became more oriented themselves. And I remember staying on until the middle of August of 1945, when I came up here.

*It was reported in an article, "I.V.C. to Garrett's," Wine Review, April, 1945, p. 50.

THE WINE INSTITUTE AND GENERAL DEANE

Bacci.: I came up here, and up here I was already vice-president of California Grape Products Company, Ltd., and continued in that capacity here.

Teiser: And it was after that time you immediately became involved in Wine Institute affairs?

Bacci.: I became involved in Wine Institute affairs actually just about then, or shortly after then. Early 1946, I would say. It was just about then.

Teiser: You must have given a good deal of time to it.

Bacci.: Oh, yes. Not so much in the period before 1948, because actually between '46 and '48 I dare say I gave as much time to it as other members who sat on the same committees as I did myself. And in 1948, Mr. Herman Wentz, who was then president, was actually the one who urged me to accept the presidency. And he sold the idea to everyone else there. And I took it on. I held it from 1948 to 1950, and I was responsible then for establishing the rule that has become the rule ever since. They wanted me to continue, and I felt it was too time-consuming. I had given it everything I had during the period I was president. And I also had the feeling that it was a job that ought to be rotated.

Obviously, the president was given a certain amount of prominence and publicity. I never took it seriously; you always had to have a figurehead. You couldn't say, "The Wine Institute said this." You'd say, "Harry Baccigaluppi, president of the Wine Institute, said this." I had a feeling that perhaps that could develop some jealousies in our highly competitive industry. And I declined the urgings that I continue. I said I felt very strongly that no man should be placed in that position for any more than two years, that others should be given an opportunity to make contributions.

So I had it for two years. Following me, General [John R.] Deane had it for two years. Following him, Lou [Louis] Petri had it for two years, and at that point in the Wine Institute, again, competitive jealousies became intensified. I had the good fortune of always being in sort of a neutral position. Our own operations were such that I never found it necessary to step on anyone's toes in particular, but just as soon

Bacci.: as you had a figure occupying the position of president who was engaged in the marketing of wines in bottles and whatnot, then competitive influences came into play. Well, due to one thing and the other, plus some personnel problems at Wine Institute, at that point they decided they would reorganize. As a matter of fact they had some wholesale resignations at the time of some large companies that they wanted to bring back. And it was felt the thing to do was to reorganize.

Teiser: Was that the period the California Wine Association withdrew?

Bacci.: It was in that period, yes. That was one of them, and they gave a lot of publicity to the fact that they were withdrawing. That started a whole chain of events.

Teiser: Was that when Leon Adams left too?

Bacci.: That's right. Everything happened there at the one time. You see, Harry A. Caddow had been secretary-manager over Leon Adams. He had been the secretary-manager from the inception of Wine Institute in 1934. And things began to build up. Personality clashes, and weaknesses perhaps on the part of some individuals that became magnified perhaps out of proportion. And then I think some people were looking for convenient excuses not to pay dues if they could get away with it. And, very frankly, I felt that some of the resignations were due to that, and I still feel that way.

So we then reorganized Wine Institute so that the position of president became a professional full-time job, and the elective offices were, amongst the industry members, non-pay. That left (going down) vice-president, second vice-president, the third, the secretary and treasurer as well as chairman of the board. And Mr. Don McColly has been president of Wine Institute ever since, and a very capable one. They made a wonderful choice.

Teiser: You mentioned General Deane. His career in the wine industry started after his retirement from the military service?

Bacci.: That's right. It started with Italian Swiss Colony. He's now the chairman of the board of our company, incidentally.

Teiser: Yes, I remembered that, and so I thought to ask you a little about him. When was he first associated with your organization?

Bacci.: Let's see now. I forget how long he was with the Italian Swiss Colony. We had become very friendly in that period. We would meet frequently during the course of our Wine Institute meetings and got to know each other very well. I always admired him. He is a man of great honesty and character and integrity--just the kind of a fellow you'd like to be associated with, and when he resigned from the Italian Swiss Colony, we then would ask him to meet with us frequently for lunch. It started in that way.

Teiser: By "us," you mean you and Mr. Lanza?

Bacci.: Mr. Lanza, right. And then after that we asked him if he'd like to be a member of the board, and we did that for a while and then he became chairman of the board. And he's been serving us in that capacity ever since. He's a very, very fine gentleman. He came into the wine business just absolutely green, as the result actually of friendships he had made in the military service.

You see, he was secretary of the General Staff during World War II, and in that capacity had traveled to all of the F.D.R. conferences all over the world--Casablanca, Teheran, Potsdam, wherever they had gone. And during that period in his capacity as secretary to the General Staff, he worked in very close association with Colonel Bill Donovan, who was head of the O.S.S. When he decided to retire from the military service, he came back by way of New York, and while there thought he'd call on his friend Bill Donovan.

Bill Donovan had a law office, and, as I remember the story, Bill asked him, "Well, what do you intend to do now, Russ?" He said, "I don't have any idea." He said, "All I've ever done was to be in the military. I don't know what I'm suited for." He said, "Wait a minute. Let's go down and see my friend Seton Porter." Seton Porter was either chairman of the board or president of the National Distillers, and they had acquired an interest in the wine industry out here, had bought the Shewan-Jones plant, had bought the Italian Swiss Colony. And so they go in to see Seton Porter. He didn't go in to see him--he didn't bring him in there to see him--with respect to going into the

Bacci.: wine business. But he brought him in there knowing that Seton Porter was very active in, I think it might have been the Licensed Beverage Industries, which is the public relations arm of the alcoholic beverage industry, actually principally spirits. And they had been looking for someone to head up that organization. When he went in there Seton Porter said to him, "Well, gee, I wish you had come in here yesterday. We just hired So-and-so. I forget who it was; we just hired him yesterday. But," he said, "wait a minute. We've got some wine interests in California we'd like to pull together. How would you like to go to California?" Deane said, "Well, that's where I was born." He says, "Well, fine. Let's go."

And the first thing you know, he comes out here, and he's out here and he's president of the Italian Swiss Colony. [Laughter]

Here his experience at the negotiating table, his experience at conferences, and his own traits of character just seemed to fit in admirably into a trade association [The Wine Institute], for instance, where you have a lot of competitive influences. I always remember the impression that he made on me, and continued to make on me, because he would sit there--and understandably the subjects that were being discussed he couldn't have had any familiarity with at all. To him it was a strange business, it was a new business, it was a new language being spoken that he didn't have any great knowledge of. He might have done some reading on it, but admittedly had no experience in it. And he would sit there, and each of us would be expressing an opinion, and fighting and arguing. I remember Russ would get to a point--he'd sit there and he wouldn't say very much--but he'd say, "Well, gentlemen, I'm sure I don't have to tell you that what I know about the wine business you can stick in your left eye. But it seems to me that, from what I've heard said here, that if you'd make a motion that would provide this, one, two, three, it seems to me that it would cover the things you're doing and would pretty much summarize what all of you seem to have in mind."

He'd no sooner do that than somebody would say, "If you make that motion, Russ, I'll second it." And that would happen repeatedly. Certainly you didn't acquire that kind of ability by being captain of an infantry group or an artillery group. It came from actually what he had experienced for so long at the



Harry Baccigaluppi (center) with Maynard A. Amerine (left) of the University of California at Davis, and Brother Timothy (right) of Mont La Salle Vineyards, at a dinner of the Napa Valley Vintners, October 18, 1961. Photograph courtesy of Harry Baccigaluppi.



Harry Baccigaluppi presents a copy of the Wine Advisory Board's book, Favorite Recipes of California Winemakers, to Mrs. Edmund G. Brown in the kitchen of the California state governor's mansion about 1963.

Bacci.: negotiating tables. He just knew how to take conflicting opinions and then sort of separate the chaff from the wheat and crystalize them into one thought that he felt would cover everybody's point of view. And he has always demonstrated that ability.

That was why actually when I got to the end of my term as president of the Institute, I was the one who recommended strongly that General Deane succeed me. I felt he was not only worthy of the honor but I felt very strongly that he had all of the ability that it required to keep a sort of competitive group together. And he did that extremely well. And I'm just delighted that things have taken that turn where we have been able to be associated together in business and we've been close friends ever since. He's just a gem of a person, there's no question about it.

CALIFORNIA GRAPE PRODUCTS COMPANY AND ITS SUCCESSORS

Teiser: I want to go back to pick up a subject in the earlier period. Victor Repetto's name has come up, I think, occasionally. Did California Grape Products have a label that was named for him?

Bacci.: No, he always denied that the label was named for him. Our general line was called "Victor." (Actually I've got an old label here. Here it is, here. It will serve to give you an idea as to how it worked.) "Victor" was a sort of an identifying mark that characterized the entire line of wines that was put out by California Grape Products Company, Ltd., but there was always a-- now for instance, this was the H.O. Lanza brand, you see. Now Victor Repetto always denied that Victor had any relationship to his name. He said it meant victor the winner. That's exactly what he contended.

Teiser: Who was Victor Repetto?

Bacci.: Victor Repetto was a man who had been associated as a very young man with the old Italian Swiss Colony--had worked for the old Italian Swiss Colony. And later went into the employ of another one we've mentioned here, Cella Brothers Inc.

Teiser: Had Repetto always been in New York?

Bacci.: Always in New York. He was born in New York. He then became associated with Cella Brothers, and actually he was still with the operation as the head bookkeeper of Cella Brothers-G. Cella & Brother when I worked for the same company. As a matter of fact, I was just a billing clerk and a junior clerk when Victor Repetto asked for a little raise--and mind you he had to ask it of the general manager Profumo who actually happened to be a neighbor of his--they both lived in Ridgewood, New Jersey--the raise was denied him.

And with that I remember Mr. Profumo taking me out into the warehouse. He wanted this to be very quiet, and I think it must have been where we stacked our macaroni. In those days it was all bought in 22-pound boxes; it wasn't packaged as it is today. We got into one of these rows and he very softly broke the news to me that Victor was leaving and he said, "I'm sure he is making a mistake." He said "We must have somebody to take his place." Now here was a man who was the head bookkeeper. And he added, "I want you to succeed Victor." And I said, "Well, Mr. Profumo, I don't know the difference between a debit and a credit. I have never gotten into the bookkeeping end of it." He said, "That will be for us to find out."

Well, I thought, this was it. They insist that I've got to be the head bookkeeper. I don't know a debit from a credit. So I remember going to the public library and taking out a book on the ABC's of bookkeeping. And I digested that in one evening. The next day I brought that back and took out a little bit more advanced book. And I think I went through about three or four books on elementary bookkeeping, and then started examining Repetto's books and accounts and how he kept this and how he took a trial balance and what this meant and how you made a debit and a counter-balancing credit under the double-entry bookkeeping system. And you never saw anybody who was prouder in his life than I at the end of that first month when I took a trial balance and it came out to the penny on the first crack. That was the last time it ever happened. [Laughter] So, you see, I succeeded Victor.

Then he went with this man [Mario P] Tribuno, whose name came into this. He went with this Mr. Tribuno, who owned the California Grape Products Company, and I think became secretary of that company. And it was after Mr. Tribuno had become discouraged with the operation--Mr. Lanza gave you the details as

Bacci.: to how the approach was made and how actually he was given money to buy the company. It was Repetto who actually approached Mr. Lanza, because they had had occasion to meet and get to know each other during the days when Fruit Industries, Ltd., was being organized. They were meeting in Washington, meeting in San Francisco, meeting all over the place. So there was a dialogue between them of one kind or another. And that's how the approach was made.

And he became the partner of Mr. Lanza in this California Grape Products Company. And some ten years later they liquidated their interests. They separated; Lanza and Repetto separated in 1942. At that point Mr. Lanza took it over on his own.

Teiser: Thank you very much for straightening that out. Let me clear up another point then. In an interim period there was a Horace O. Lanza winery, when the company was reorganized as that, and then it was reorganized again. How did it go?

Bacci.: Yes. As I remember that, that Horace O. Lanza, as an individual entity, individually owned company, came about as a result of the--let's see. I forget exactly how that came about. I thought first that it might have come about when Repetto and Lanza separated. But that isn't true, because actually...

Teiser: After Garrett took over Italian Vineyards, was it?

Bacci.: That's right. Let's see here.

Teiser: '45 is the date I have for its existence, just about one year.

Bacci.: That's right. Because the other had come before. California Grape Products continued in existence. Right. And later California Grape Products were liquidated, as I remember. And at that point, then, Mr. Lanza individually held these vineyard and winery properties and they operated for about one year as I recall it. They operated as H.O. Lanza, as an individually owned winery, and I continued to manage that operation.

Teiser: And that was in the Delano area?

Bacci.: That was in the Delano area, yes. But our office was still here, we retained offices here.

Teiser: California Grape Products Company became California Grape Products Corporation then? Is that it?

Bacci.: It became that in 1946.

Teiser: Well, didn't the Lanza Winery then go out of existence and then California Grape Products Corporation came in?

Bacci.: No, the winery was sold to California Grape Products Corporation and the vineyard properties were incorporated as Lanza Vineyards, Inc. We had so many of these changes that I can't keep them clearly in mind.

Teiser: California Grape Products Corporation then was a privately owned corporation, or what do you call it?

Bacci.: It was a closely-held corporation.

Teiser: Then not until 1964 was there the change to Calgrape Wineries, Inc.?

Bacci.: It was in 1964 that California Grape Products Corporation, which is still in existence today and which owned the winery, sold that winery to a group in which it participated as a member and became a cooperative winery. The other members of Calgrape Wineries, Inc. were all part of a group of grape growers in the greater Delano area for whom we had been performing services for a number of years; services consisting of providing a home for their grapes. We would process those grapes into wines and other grape products and periodically--as a matter of fact every month--we would pay them their proportionate share of the sales proceeds.

Teiser: These were growers?

Bacci.: Growers, right. Their proportionate share of the sales made in the previous month, and these were distributed to these growers. And that went on for a number of years [until] we felt that it was desirable that they actually take a more active interest in the operation of the winery than merely being outsiders having a service performed for them. They actually should become part owners, so to speak, of that winery.

Teiser: Let me interrupt here to ask, when did you first take over management of the winery at Delano?

Bacci.: That was in 1964. Well, prior to 1964 we were operating as the California Grape Products Corporation, which owned vineyards and also owned a winery.

Teiser: And when did you first take over that particular winery, that California Grape Products Corporation owned?

Bacci.: Well, that was the one that actually was the continuation from the old California Grape Products Company and its association with Repetto and then into H.O. Lanza, and then into California Grape Products Corporation.

Actually the pressures for the formation of this winery began to develop amongst the growers themselves, because they began to realize that our company, California Grape Products, was extending its activities in the grape-growing field and [they] began to look with some fear perhaps on the day when that plant would be utilized entirely for serving the vineyards of the California Grape Products Corporation. And they then asked for conferences to be held.

The meetings were held and they finally decided, a group of five, one of which was California Grape Products Corporation, decided to form another group.

Teiser: Who were the other four?

Bacci.: The other four consisted of the Kern County Land Co., W.B. Camp and Sons, M. Caratan, Inc., and W.B. Camp Jr., Inc. W.B. Camp Jr. was an offshoot of W.B. Camp and Sons; they were a part of that. And the California Grape Products Corporation.

They then formed this cooperative and bought this winery from California Grape Products Corporation, and then agreed that so long as California Grape Products Corporation had operated this unit for so long, had contact with the trade, had the established trade, that actually California Grape Products Corporation should manage this operation in behalf of Calgrape Wineries, Inc. And that's what it's been ever since.

Teiser: Is this a cooperative under the legal definition?

Bacci.: Yes, yes. It met all of the requirements of the cooperative law.

Teiser: How much land does it represent?

- Bacci.: Well, actually, in and of itself, the winery has very little land. It doesn't have very much of its own. But the land owned by the individual members given over to grape growing is in excess of 10,000 acres. That's why we've always felt that actually the winery had a potential source of grape supply that would amount to 100,000 tons, which actually would make it the most important unit in that area.
- Teiser: I think the Regional Oral History Office first knew of Mr. Lanza through Mr. W.B. Camp, who was interviewed at length.*
- Bacci.: W.B. Camp had come into the picture by virtue of Mr. Lanza having sold his vineyards to W.B. Camp. The vineyards we have today are not the same vineyards we had then. Actually Mr. Camp's introduction to the grape industry came as a result of acquiring some of the vineyards owned by Mr. Lanza, in the '50's. And that's how Mr. Camp came to acquire his first interest in grape growing actually. I think they've since extended their plantings. But that's how that came about.
- Teiser: What is the Lanza Vineyards, Inc. now?
- Bacci.: Nothing today. That's been liquidated.
- Teiser: Did that continue after the organization of Calgrape Wineries?
- Bacci.: Yes, that continued for a while after the organization of Calgrape Wineries, and it must have been in the neighborhood of two or three years ago that Lanza Vineyards sold its vineyards to the California Grape Products Corporation. So California Grape Products Corporation today owns the vineyards that were developed in later years by Mr. Lanza in the Lanza Vineyards.
- Teiser: Mr. Lanza indicated that after his daughter's death he became less interested in business.

Bacci.: That's right.

Teiser: And then later on he became more interested again and more active?

Bacci.: That's right, that's a fact. There was a period there, when his daughter died while giving birth, in 1944--June, 1944, as I remember it, the end of May and the early part of June, 1944, he had become completely demoralized and discouraged at that point. And went along for a number of years. Oh, he would come in every day. He would still be in here pitching, but not with the same verve and vim and vigor as he had in the past.

Teiser: Was she his only child?

Bacci.: No. She was one of three daughters. One had died previously, and then this daughter died. He has one daughter who is still alive, yes.

Teiser: He showed me pictures of his grandchildren. But then he later became more active?

Bacci.: That's right. And then, as a matter of fact, later discovered that when he had no more vineyard that actually the winery was suffering from it, because it had no assured source of supply. And at that point--he always has been a great believer in land. I think it came from his early youth, as a boy. It was a part of his family tradition to own land. Land was that one tangible thing that had real value. You were never poor so long as you had land. And so in 1955 and 1956 he bought more land.

And then sort of simultaneously with that, one of his grandchildren, who is still very actively associated with the company and runs our vineyard operation...

Teiser: Who is he?

Bacci.: John Bree...John showed an interest. He had been in the Air Force and previously had been educated, I believe, at Oregon State. It might have been Oregon too and Oregon State. But had not shown up to the time he came out of the service any particular inclination to follow in his grandfather's, or even his father's, footsteps, and all of a sudden seemed to develop an interest in learning more about grape growing and farming,

Bacci.: and with that went to Davis. And that I think--Mr. Lanza would probably deny it, but he's not kidding me--I think sparked a new interest. Here was one of his offspring who actually was showing signs of following in his footsteps. And with that he started buying land all over the lot. And then I think acquired something in the neighborhood of another 1,200 acres, which is what we're farming today. In fact he actually acquired even more than that; I think it was maybe 1,500 acres. Today we farm about 1,200 of it. But that's where it came from.

And it was a combination, I'd say. It was a combination of the realization that the company he had founded and in which he was a very active part and had a very substantial interest, that it couldn't possibly succeed without having a vineyard of its own, of varieties that would produce good wines. And that again, that thought stimulated by his grandson's interest, just caused him to take off again, you see.

GRAPE VARIETIES AND REGIONS

Teiser: Your mentioning his grandson at Davis and the varieties--you were speaking of the variety Ugni blanc. I noticed in a bulletin of Dr. Amerine and Dr. Winkler, California Wine Grapes,* it was on the not-recommended list.

Bacci.: Well, that's one of the things that he made reference to, you see. There have been a lot of changes in thinking even on the part of the University that have taken place on some of these varieties. What was said in certain periods and at certain times I'm sure was based upon what they believed to be sound observations made at the time. But it's been disproved since.** Did I tell you of the experience with the Sémillon? And now you take the Ugni blanc. Mr. Lanza was the one who brought the Ugni blanc into this country.

*M.A. Amerine and A.J. Winkler, California Wine Grapes, California Agricultural Experiment Station Bulletin 794.

**See also interview with Dr. A.J. Winkler in this series.

Teiser: It's the same as the Saint-Émilion?

Bacci.: Saint-Émilion, and the same as is known in Italy as the Trebbiano. He didn't bring in the Saint-Émilion as Ugni blanc; he brought it in as Trebbiano. You see, a good deal of his reading always had to do with Italian literature. This is his wine library here. Everything in there is...and that's the best binding that you could buy at the time*--everything here has to do with wine or grape growing. And it's all in Italian, you see; everything is in Italian. So it was natural for him to lean in that direction.

Well now, we planted the grape, found it did well, found that it makes a good wine, and then in later years discovered that this is the variety that's used in France for the making of Cognac. That's one of the three varieties used in France for the making of Cognac, in the Cognac district in France. In fact we have made brandy from it too.

Teiser: Do you make brandy regularly?

Bacci.: We have made brandy sort of spasmodically, but it's part of our operation. Some of the brandy we made, a substantial part of the mix being Ugni blanc, was rated by the University at Davis as unusually good. I recall that these are some of the things they said: "This is the finest current brandy that's ever come under our observation." This was just out of the still. And then another observation made, and I've got that documented--I don't feel free to spread it around because I feel it's unfair to take advantage of an individual who in all honesty is giving you an appraisal and it may embarrass him. But I can assure you it's in there. I can show it to you, I'm sure I've got it here. Two things that were said. One was that it was "the finest current brandy ever to come under my observation" or "our observation." The second was, "We've rated it eight on a ten-point scale." In other words, ten points being absolute perfection, and eight was their rating of this brandy.

Now, I was amused here recently to find that one of our top winemakers in the state, one of our top table

*The books are in traditional European paper bindings.

Bacci.: winemakers, has come out with a wine that's called-- this is Wente Brothers--have come out with Blanc de blanc. It's a blend of two grapes; it's a blend of the Chenin blanc and the Ugni blanc. And the Ugni blanc vines that are bearing these grapes--the cuttings came from us at Delano. [Laughter]

Teiser: And they're growing them?

Bacci.: In the Livermore Valley, right.

As a matter of fact, at a brunch party that the entire Wente family had been invited to, and I was invited to because of my close association with them over the years--Herman Wente's widow had been invited and Herman's brother Ernest, his old brother, and his wife, and young Karl, who is now running the operation, and his wife, Jean--they were all there. And I've always been very, very close to them. And this conversation started on the Blanc de blanc, and I told them that I had been at a restaurant in Bakersfield and was quite surprised to find on the wine list Wente's Blanc de blanc, and I ordered it for the group, and was quite pleased with what we found. And Ernest Wente said, "You know, those cuttings, that Ugni blanc that you grow down there--you know, you got those grapes from us. Those cuttings came from our vineyard."

Well, I came back and I discussed it with Mr. Lanza. He said, "No, he's got it wrong. It's the opposite." He said, "As a matter of fact, it was I who brought them in," and he named the doctor whom he had in his employ up at Ukiah, a man by the name of Dr. Carlo Agazzotti, whom we brought over here as an enologist from Italy. Had used him to contact friends in Italy to bring these over. (Today it can't be done quite so simply as it was done then. Today they go into quarantine and whatnot. There are long periods of time before they're released. But at that time it was possible.)

And it was in a conversation between Lanza and Herman Wente that the matter of this Ugni blanc came up and Herman asked for some cuttings. His brother, you see, hasn't been too closely identified with the operation, had forgotten where A was and where B was, you see. But I straightened him out by letter.

Teiser: Are there any other theories that you have challenged in that successful way?

Bacci.: We never feel that we've actually revolutionized anything in particular.

Teiser: Or any innovations?

Bacci.: I've been part of a picture--I am very frank to say that I had very little to do with starting it--but I have been part of it and I've been watching with a great deal of satisfaction how you find that thinking has turned around on the part of the industry. They would look upon anything grown in the [San Joaquin] Valley, of course, to be depreciated, never fully realizing, I believe, that what they were talking about was certain varieties all the time. They had never had the experience of growing anything other than varieties that had been grown there for a long time, namely, heavy bearers and something that turned out a dark red [wine color] or produced a very heavy yield per acre. And all of a sudden they have awakened to the fact that it is possible to grow good grapes in that valley. And we've proved it.

Teiser: Good grapes are now referred to in the newspapers as "varietals."

Bacci.: Right.

Teiser: That's a funny designation.

Bacci.: That's a funny designation. Even a Thompson is a "varietal," you know.

Teiser: And you started this well before....

Bacci.: Oh, yes, as a matter of fact, I can give you this. When the Kern County Land Company became interested in developing part of its lands for grape growing and after we leased 1,500 acres from them in two pieces (one was approximately 1,000 acres and later another 500 acres), on an agreement that called for our developing the land and certain monetary considerations being involved, and of course they wanted to know what we thought were the proper varieties to plant. And we laid out for them what we thought these first 1,000 acres should consist of, but I don't think we went through it again on the second part.

Teiser: When was this?

Bacci.: I can tell you that fairly closely. Let's see, now. This is 1969. I can get that for you. I've got it. It was in 1958.

Well, anyway, at that time they had asked that we give them a list of what we thought was the manner and the proportions in which this vineyard should be planted. And unbeknown to us (we were told this later) they apparently went up to Davis and showed it to somebody there. I never did know exactly to whom it was shown. But whoever it was took one look at it and said, "Well, that's Lanza. That's California Grape Products." [Laughter] I think they meant to say nobody but he would be that crazy to plant these varieties in that area.

Teiser: What varieties were they?

Bacci.: Well, there was everything in there. Sémillon was in there, and, let me see, I can refresh my memory very easily here.

Teiser: I think it didn't get into really public discussion until Gallo started to encourage varieties unusual for the valley.

Bacci.: That's right, that's right. Again, there were people before it got into public discussion who realized what we had going. I can give it to you. This will refresh my memory. [thumbs through some papers] Well, I see one here. I see Black Malvoisie. These are the kinds of things that would have caused people to identify [the plan] with us, you see. And I see Grenache here. Actually at that time it had not been widely planted in the valley; some had been around Lodi but not too much, some around Modesto but nothing much farther south than that. Pedro Ximenez. Ugni blanc. Chenin blanc. French Colombard. Malvasia bianca. These were the kinds of things that anybody at Davis who knows something about plantings throughout the state would say, "Oh, hell, that's Lanza."

And, as you've observed, there has been growing interest in that area, because people appreciate what the potential is. You see, one of the sad parts of the valley, before we became interested in this operation to the extent that we have, was the fact that it was awful difficult to get, say, a good dry red wine out of the general area--and I'm talking about the general San Joaquin Valley--that, if you're a wine

Bacci.: taster at all, you couldn't immediately identify and appreciate by describing the flavor reaction you got as being, "Oh, that's a valley red wine." That wasn't said in a complimentary sense at all. It had a certain almost an earthiness to it that you could identify.

Teiser: No one bothered to make wines as carefully in those days?

Bacci.: Well, that's it exactly. You see, even with the grapes they had, they were following the same techniques that they followed in the making of a dessert wine, where actually the very end product will lend itself to a lot more abuses than you can subject a table wine to. You can't. They're two entirely different products. You just can't make them exactly the same way, any more so than you can treat something that you want to cook--sometimes you get the flavor reaction that you want by sautéing, yet that doesn't mean deep frying, you see. And I think too many of them have been deep frying for too long. I think that's just about the difference; it's the difference between sauté and deep fry, and I think you get the distinction there.

And I think that's one of the things that they're learning, and I think they're beginning to--and I'm speaking of the grape growers generally--they're beginning to see these kinds of prices that are being offered for better varieties. And it must dawn on somebody that there must be something that can be grown on this land that's more valuable than what they've been growing on it. Apparently what they've been growing on it is either in too plentiful supply for it to command any kind of a price, or its basic characteristics aren't such as to justify paying any more for it than has been paid for it.

CHANGING TASTES IN WINES

Teiser: Does the change in public demand for types of wine enter into this, too?

Bacci.: Oh, I don't think there's any question about it. I don't think there's any question about it. Your consuming public, not in every case, but in general,

Bacci.: your consuming public is beginning to acquire a knowledge of wines that enables them to distinguish between the good and the ordinary. And they're beginning to find that there are wines made available to them, at modest prices, that have certain very desirable and very enjoyable characteristics. That wasn't true not too many years ago. Even today you can buy a very modest priced bottle of wine and really enjoy it, and your friends will enjoy it. And that wasn't true not too long ago. I remember when we would have some of these meetings around Fresno, and it was always customary to have either a group luncheon or a dinner. Some of these local wines would of course be served at this. Well, you know, you would think: I wonder if I couldn't get something from the north?

And I always remember this. It shook me. I remember when we first went to Guasti I found they were making there--I won't say we found, I found (I'm going to be immodest at this point)--a wine that was called Grignolino. And what I found in it was a flavor characteristic that I thought would really please the general public, because it didn't have any of that harshness or heaviness that was characteristic of some of our northern red wines. It was a soft wine; that was the best way to describe it. And I got to having it served, you know, at our little functions down there at Guasti quite frequently. And I remember we had some guests there one time. After serving this Grignolino, of which I was so proud--it was beginning to take hold and actually it had acquired quite a reputation in the state, although it was available only in a very limited quantity--when one of my own associates asked the guests, "Now, don't you want to taste some real wine?" And we had some wine that we had brought down from Ukiah, and I thought, "Well, this is good public relations work if I've ever seen it. This is perfect!" [Laughter]

Teiser: Is there anything else you think of to wind up this...

Bacci.: No, I can't.

Teiser: Certainly you've given a very lucid account.

Bacci.: Well, thank you, Miss Teiser. I can't think of anything in particular. The thing that I feel happiest about in this industry is to see this increasing acceptance of table wines. It's something that those of us who

Bacci.: have spent a lifetime in this business have always dreamt and prayed might come about some day. We never looked--I never looked--at the consumption of dessert wines as being anything other than a sort of a temporary stop-gap. I never thought of it as being the kind of a wine that would develop the kind of users whom you could look upon as being loyal, continual users. To begin with, the very nature of the product is one that lends itself only to occasional use. I always felt about table wines that when a man gets to a point where he learns to appreciate table wines and enjoys them with his meal, there is nothing that can quite take its place. There is nothing. He might be talked out of--he might change from a burgundy to a Zinfandel, or from a Zinfandel to a Cabernet, or from a red wine to a white wine. But once he begins to enjoy wines with his meals, there isn't anything in the alcoholic beverage scheme of things that can cause him to stop using it. Oh, he might, on a very hot day perhaps, take a glass of beer in place of wine.

On the other hand, the user of dessert wines, I always felt, was one that any kind of a heavy promotion on any other kind of an alcoholic beverage would cause him to switch from that to something else, you see. Just as you have people who would switch from bourbon to Scotch, or from Scotch to gin, or from gin to vodka. But the wine drinker, and I speak of a wine drinker as one who really enjoys wine with his meals--I don't even think of the man who thinks of wine between meals, although it definitely has a place there.... That's one of the developments in our industry that I think is the most gratifying. And I think it's the one that gives every indication of a rather promising future. You find now that the disproportionate use of dessert wines as against table wines has changed around completely, and it won't be too long before more table wines are shipped than dessert wines. There's no question about that.

And we're beginning to develop a more discriminating user. It isn't a question of an ordinary red wine. There's a phrase that I've always shuddered at because of my background, I suppose. I've always shuddered when I've heard people refer to "dago red." And that to me always meant--it was never complimentary. And I don't think it was intended in an uncomplimentary way when it was spoken by anybody, but it described a type of ordinary red wine. Take a grape and ferment it dry,

Bacci.: and if it has a dark color and it has some alcohol in it, that's a "dago red." But I think we've gotten out of that. I think we're getting out of that.

Teiser: [Laughing] I haven't heard the term used for years. Prohibition, I guess, was when it came up.

Bacci.: I don't know when it started. I don't know when it started or why or how it started, but the fact of the matter is that was the term applied to the ordinary red wine that was available to anybody who wanted to buy it. But we've come out of that.

Now you find people have very definite likes and dislikes, and the thing that I enjoy most being a part of this industry is that you get into any group, any kind of a social group--you can go to a cocktail party, you can go to any kind of a conference, and just let word get around that there's a wine man in the group, and you become the center of conversation and attraction. [Laughing] I remember, Miss Teiser, if I can just digress for a moment, I remember visiting my daughter and son-in-law. He's a career military man, a West Point man, now a lieutenant colonel at the Pentagon. But before he went there he was at Fort Hood. He was in charge of a battalion there.

I paid them a visit, and while I was there, unfortunately he received word that his father had passed away, and he had to leave and go back to Detroit for his father's funeral. But he apparently had set up something in the way of a grand tour for me of the base, and among other things he even provided a field jacket for me, mind you, with the 123rd Maintenance Battalion on this breast and Baccigaluppi on this breast and a cap with the battalion insignia on it, and I was taken through the jumps even to the point of driving a tank, on my own, mind you. It even got into that. And went on the rifle range and all of this business. Well, when we got all through, this other lieutenant colonel who was taking me around said, "Wouldn't you like to meet Frank's commanding officer?" I think he said Colonel Walde; yes. And I said, "Yes, I'd like to." So he brings me into the colonel's office, and here's this very handsome looking man sitting behind a desk, and alongside of him is another colonel, equally handsome. And he just was puzzled by the sight of this old buzzard here with his field jacket and holding his cap in his hand, and he said, "Well, now, just what is

Bacci.: your connection here?"

I said, "Well, I happen to be Lt. Col. Clark's father-in-law." "Oh, yes, yes." Well, he was still a little bit mixed up. He still couldn't figure me out.

And then he said, "Well, what do you do as business or profession?"

And I said, "Well, I happen to be a member of the wine industry. I've been in the wine business all of my life."

"Oh!"

And the first thing you know, we got into a conversation on wines. He had learned to like Gallo's Paisano, and we got into a discussion of that.

All right, fine. That's done with. And Colonel Walde still asks for me, mind you. We get through with that and two nights later my daughter takes me into the home of some other officers who were having a little reception. These were all young captains and majors and lieutenant colonels and I wasn't part of this age group at all, you know. Until something was said about wine. I forget who started the conversation, but my daughter says, "You might ask my dad. He may know something about it." And the conversation starts there, and that went on for an hour and a half. That's just what they wanted to talk about--just what they wanted to talk about.

Now here when I, this past Christmas--my daughter and son-in-law are now living in Alexandria, Virginia, and I went back to spend the Christmas holidays with them. My daughter's invitation read: "We want you here, but be prepared to give lesson number two."
[Laughter]

APPENDIX

- A. "What Has Become of the Family Life Today?" by Horace O. Lanza.
- B. Horace O. Lanza letter of November 18, 1969.

What has become of the family life today?

It was the afternoon of an August day in 1896 when my mother who had been sick for sixteen months called to her bedside my father, then in his mid-fifties, and my brother, twenty-two, my sister, sixteen, myself fourteen, and another sister, nine, and said, "Peter, I want you to look after Horace. Rose, I want you to look after Lucia, and I want all you four to look after your father. Do you promise that?" That night in the evening she passed away, and we all knelt and prayed as we had been taught to do by her when in trouble.

We had been in this country about five years; we had all worked in the canning factory and on the farms around whenever we could. All wages had been turned over to her for use, and she left about \$800.00 in gold which we found tucked away in the bottom of a trunk because she did not know or believe in banks. She had been a sort of a manager or the head of the family so far as running the house was concerned, and then my brother and older sister took over to keep the family going as one unit the same as mother did when she was alive.

She left us also a home and family heritage that served us all in good stead throughout our lives. The abode she left us was not a house, but a home where there was respect for the elders and love and cooperation for all. The home was not the place where we just ate, slept and hung our coats, but rather the home where the family lived, where all our relatives and friends were welcome as an active part of the family institution, and though the case was strictly our own, the ramification spread to all parts

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in which the family was related. If we needed comfort or help, we knew where to find it. As we were regarded and sustained, so did we react in return, with the result that we never felt alone. We were a part of the family and community of the whole, and this, in spirit and in fact was immense help throughout our lives. Our cares and burdens as well as our pleasures were shared by all.

Fortunately, the Sicilian tradition being something like that of the English nobility, you claimed relationship to the seventh, ninth, or whatever degree you could trace it to, and the affection was as true and genuine as if it were in the first degree. This carried the family attachment and influence to a greater and more beneficial degree.

Many were the times when I started as a young lawyer in the City, that I would hear some people who knew my family say, "He is the son of 'Don Toto,' or the son of 'Donna Maria Antonia' - and that at once would establish my reputation and their favor. In those days the family meant much to you, either socially or commercially. It carried weight either for you or against you - such was its influence. Through your home life you were judged and appreciated, and always accepted on your merit. That put a responsibility on you to make yourself worthy, and your self-respect kept you ambitious and happy.

In trouble or sickness you always had sympathy, attention and comfort from all in the family. In your school work, housework, sports or hobbies, you received cooperation and participation or

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counsel from any member at hand. You played with other children in the neighborhood who were known or similarly situated as yourself; and seldom, if ever, you got into mischief that was detrimental to your character. You even abhorred justified criticism because you were proud to be regarded decent and conspicuous for kind and good behavior. You maintained a sort of an ideal to excel in the finer things of conduct. Your family were proud of your achievements, and you felt there was something that you contributed to that family's standing - that family's pride and happiness. Your worthy behavior followed you to your school where teachers and classmates came in contact with you. It followed you to your work, to the shops where you were sent on errands, to the people on the streets whom you chanced to meet, and to all people of good will that came to know you. You were pleased with the reward, and more so with the contribution you had made to the family institution.

Yes, this contribution to the glory of the family is not made by one member only. It is made by all; and the parents and older members should be the first in the order of their authority.

Why do the colleges and some teachers of today stress that the education of the young should be directed to develop the native ability of the individual rather than the obedience to discipline which is so terribly needed but neglected in the young, particularly the very young who are in the informative stage? How often do we hear nowadays a boy or girl say, "Oh, Dad, you forget now that I am '14,' '16' or even '18' years old!" What does

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ago got to do with matters of courtesy or respect for one's parents or elders? Is not such teaching destructive of the family institution? Isn't discipline of the young and good manners of society just as important for the happiness of the individual as his independence of selfishness? "Doth man liveth unto himself"? What is the necessity of family anyway, if each individual is going to go his way as soon as he is old enough to go out and find food for himself as does the animal of the forest?

No political change of society or of the economy can take the place of love and solidarity of the family. Civilization and religion have devised many forms of society to improve the lot of man, but none have found the solution yet. Love and love alone seems to be promising and there is no better place to find and cultivate love than in the home. Let not the family be a breeding place nor the home a boarding house, but let it be the home as an institution of love, good manners, good breeding and noble ideals for the benefit of man.

-----H. O. Lanza
September 29, 1967

GROWERS - PRODUCERS OF FINE CALIFORNIA WINES AND BRANDIES - WINERIES AT DELANO, CALIFORNIA

TELEPHONE SUTTER 1-3931
55 NEW MONTGOMERY STREET
SAN FRANCISCO 5, CALIFORNIA

November 18, 1969

Miss Ruth Teiser
932 Vallejo Street
San Francisco, California 94133

Dear Miss Teiser:

Thank you very much for your note of the 13th as well as for your kindness in sending me the additional prints.

For such value as they may be to you, here are a few additional comments which I think would be interesting historically:

There are two things that I would like to note in the history of the wine business.

One is that practical men, emigrated from Europe, were the first grape growers and winemakers in this country. These were men who brought with them the knowledge and habits of their country of origin.

The Swiss, the Italians, the Spaniards, The Germans and people from other countries had notions of their own about locations, types and methods of making wine which continued until about the time when Prohibition arrived.

During Prohibition there was no incentive for young people to get into it and when it terminated there were neither old-timers left nor young who knew much about the business at all.

With the advent of Repeal, however, in 1933, a lot of young people full of ambition and desire, and among them a number of young chemists and trainees in agriculture who have made good.

In the present era there is no invention or discovery in science

cont'd



Miss Teiser
page 2

November 18, 1969

that when announced is not picked up by other scientists in other parts of the world--and go one better.

That is just exactly what has happened here with our young chemists and agricultural scientists. We have picked up all that the other parts of the world have learned and have gone them one better. We know now how to make wine as well as any other part of the world and how to grow what grapes, what varieties of grapes and where; how to make quality wines and how to blend and keep them.

We have all types of soil and climate found throughout the world and so we have reason to feel encouraged that in the race for survival we will always be able to give a good account of ourselves.

Another point to be observed is that the very nature of the wine business is such as to prevent anybody from cornering or controlling it. There will be big operators, but nobody can control it. It is something like the restaurant business. Nobody, no matter how big can control it. A good cook with only \$100.00 capital can start business with a light lunch stand and compete against any big outfit.

In any line of business where it takes only small capital to start, there cannot be any monopoly. It takes big capital to start in the railroad business, in navigation, the airplane, automotive business, etc., but not in the restaurant or wine business. A good cook, a good winemaker can start business with a little capital and capture the trade of his neighborhood on his merits.

If California consumes 48,000,000 gallons of wines as it did last year, there is no populated county that cannot be served with a fine local wine.

The excellent wines and tastings conducted by charitable organizations and by the medical profession in some parts of the State attest to that.

My thanks again for your courtesy and kindness.

Sincerely yours,

Horace O. Lanza
Horace O. Lanza

HOL:jl:cg

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Ruth Teiser

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Newspaper and magazine writer in San Francisco since 1943, writing on local history and business and social life of the Bay Area. .

Book reviewer for the San Francisco Chronicle since 1943.



